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ABSTRACT

This study is a preliminary phase in an attempt to illustrate the link between the labor market and continuing vocational training. It not only compares developments in Denmark, the Netherlands, the Republic of Ireland, the United Kingdom, and the Federal Republic of Germany, but also makes a systematic analysis of the theoretical approaches underlying the courses of action adopted by these countries. The first chapter in Part I introduces the problems of unemployment and their analytical dimensions. Chapter 2 defines the concept of preventive continuing training in a theoretical framework. Chapter 3 focuses on functions of preventive continuing training at a time of socioeconomic change. Three ideal phases of labor market policy are described: reactive, active, and integrative. Part II contains case reports on the five countries studied. The topics generally discussed in these case reports are: labor market development, institutional structures of continuing training, and the preventive approach. Part III is an attempt to compare the five continuing training systems and their preventive effects. A five-page general bibliography and an eight-page bibliography of literature on the five countries are included. (YLB)

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Foreword

This study forms part of an attempt by CEDEFOP to relate continuing education and training to initial vocational training and in particular to illustrate the link between the labour market and continuing vocational training. A parallel study has been made of Belgium, France and Italy (see CEDEFOP (ed.), Reintegration of Adults into the Continuing Vocational Training System as a Means of Preventing Unemployment, Berlin 1982).

The authors have sought not only to compare developments in Denmark, the Netherlands, the Republic of Ireland, the United Kingdom and the Federal Republic of Germany but also to make a systematic analysis of the theoretical approaches underlying the courses of action adopted by these countries. This comparison of approaches, which is largely based on historical developments as exemplified by the Federal Republic of Germany, may prove useful in the development of a theory of continuing education and training related to the labour market that is capable of facilitating the integration, or reintegration, into employment and society of the growing number of 'problem groups' increasingly in danger of marginalization.

To this end, the authors make a distinction between three phases in the post-war development of labour market policies:

1) Reactive labour market policy, under which continuing education and training scarcely figured as an 'instrument of government action related to the labour market' (see page 47). This phase lasted until about the mid-1960s.

2) Active labour market policy, which was designed not only to preserve structures but also to shape them. In the pursuit of this goal continuing education and training was allotted the role of a major instrument of labour market policy and thus assumed the function of preventing what was then largely frictional unemployment (see page 74). This phase continued from the mid-1960s into the second half of the 1970s.

3) The third phase is characterized by a more integrative labour market policy, which, with growth unavoidably at zero, has led, and is continuing to lead, to high unemployment whose causes are more of a structural nature. The result is structuralization and marginalization of the potential supply of labour. During this phase, it is claimed, different labour market policies are emerging, some reactive and compensatory, others geared to a reduction of the potential supply of work or the uniform distribution of the work available or to the creation of new jobs, in the public sector, for example, or to support for new forms of employment. There is a tendency, on the one hand, 'to promote the training of the core workforce of firms' and, on the other, to attract 'the groups of the unemployed' particularly with the aid of state measures (see page 102).

It would appear, however, that a definitive description of the last phase is not yet possible since the Member States, faced with present uncertainties, are still in search of a cohesive concept for the (re)integration of the unemployed into the labour market through government-sponsored continuing education and training programmes. These uncertainties represent a formidable challenge to research into continuing education and training and to labour market policy. We hope that the findings of the study here presented by CEDEFOP and of other studies on related problems will prompt a constructive debate which will help to clarify the uncertain position of continuing education and training in the Member States.

The reports on the situation in Denmark, the Federal Republic of Germany, the Republic of Ireland, the Netherlands and the United Kingdom seem to substantiate the development of continuing education and training in phase with labour market trends.

A conference being organized by CEDEFOP for the autumn of 1983 on the subject of 'Continuing education and training and the labour market in the European Community' will seek to summarize these findings and to clarify policy.

In view of the current socio-economic and technological changes and the continuing rise in structural unemployment, continuing education and training is assuming unprecedented importance. However, although it is universally accepted that there is a great need for action, the attitude of the bodies and institutions that finance and provide continuing education and training is one of resignation. In this situation, remedies must be sought and found as a matter of urgency at all levels of responsibility. This study may add weight to the arguments of those who advocate the expansion and improvement of the range of continuing education and training as part of a strategy for the redistribution of paid work.

Burkart Sellin
Project Leader
CEDEFOP

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PART I

The problems and their analytical dimensions

I. The purpose and structure of the study

Since the 1973/74 oil and energy crisis the countries of the European Community have suffered a decline in business activity, which has resulted in widespread redundancies. In the five countries considered here this decline was accompanied by a sharp rise in unemployment figures in the mid-1970s (see Table 1). Since then the situation in these industrialized countries has been characterized by economic uncertainty and restructuring, which is now reflected, in the early 1980s, in a new wave of redundancies and an increase in the numbers registered as unemployed.

Table 1: Trends in unemployment ratios in the countries studied

Country	1973	1974	1975	1976	1981
Denmark	0.9	2.0	4.6	4.7	9.5
United Kingdom	2.3	2.4	3.8	5.3	11.3
Ireland	6.0	6.3	8.8	9.8	11.5
Netherlands	2.5	2.9	4.1	4.4	9.1
Federal Republic of Germany	1.2	2.6	4.7	4.6	6.5

Source: Eurostat, Social Statistics

In the countries considered here we find marked similarities in the causative and conditioning factors and in the manifestations of socio-economic change and specifically change in the labour market: all these national economies are deeply involved in world trade and, being export-oriented, are highly vulnerable to the structural changes in the world market, not the least cause of which has been the shift in the international division of labour between North and South. The equilibrium of the labour market and the success of any government policy in this area are threatened not only by the clear tendency in all the Western industrialized countries for employers to introduce job-saving technologies and by the spread of microelectronics in firms but also by an increase in the supply of labour. This increase is not simply due to the demographic factors which have attracted so much attention in the public debate and become apparent as the young people born in the 'baby bulge' years enter the labour market. Another cause has been a change of attitude among women, consisting in growing awareness of their role in employment. All in all, these few examples of factors emerging from the coincidence of world economic change and the need for the internal restructuring of economies and labour markets indicate that the problems and tasks facing governments at national level are broadly similar.

In the fight against the increasingly grave problem of unemployment, attention in the formulation of a supranational policy for the Community countries has so far been focused on youth unemployment, with priority given to education and training. The efforts to arrive at a common approach have given rise to the concept of 'alternance' as the strategy to be adopted, and this has been translated into initial steps to tackle the problem of youth unemployment (see LIPSMEIER, 1981).

This study concerns a different category of the unemployed, unemployed adults, and especially those who have had little vocational training, one of the categories under the greatest threat. Hence the need for a study of a specific aspect of national and supranational action to meet the requirements of this section of the labour market, an aspect that has received scant attention in the debate on youth unemployment. This study considers the approaches adopted by the five Member States and the institutionalization and effects of action taken under labour market policies in which adult education, particularly in the form of vocational training, is used as a preventive tool. The study is thus primarily concerned with a form of adult education that has emerged as retraining in the various countries over the years and has proved very successful, usually when governments have pursued active labour market policies. However, retraining has benefited structural changes and adjustments in an expanding economy rather than cyclical policy. It has made it possible to counteract the imbalance between supply and demand in the labour market caused by people having the wrong qualifications and also to prevent, in many cases, the downgrading of occupations and the social relegation of those at whom labour market policy is aimed. It has thus had a preventive effect where the authorities responsible for the planning of vocational training have been quick enough to recognize changes of direction in the economic system. However, the limits to retraining - as with any other supply-side labour market policy instrument - seem to be reached far earlier when structural discrepancies give way to a general slump in demand for labour as the decisive factor in the labour market. This is the situation which the labour market and employment policies of the Community countries have now faced for some time.

In view of the changes in the structure of the economic system, the question of whether to pursue a preventive national labour market policy and the part to be played by adult education in such a policy must be viewed in a different light. To answer this question, it will be helpful to regard the concept underlying the term 'preventive' in the context of welfare-statist policy as an option open to governments as they seek to bring about planned economic and social change in pursuit of socially desirable development objectives and results. This suggests that the area of study and action at supranational level that has yet to be structured here should be approached by an exploratory method with empirical feedback to ensure the greatest possible freedom in determining the contribution adult education and continuing training related to the labour market can make.

CEDEFOP has defined this paper as a preliminary study. Within this outer framework the authors faced the task of translating questions of substance into a methodical approach and into individual investigative steps which are fundamental to the area of research they have covered and which have rarely been taken by past researchers on whose experience and findings they might otherwise have drawn. Above all, this meant that, if the study was to be conducted scientifically, an analytical frame appropriate to the area studied had to be created to act as a common theoretical backdrop and uniform outline for the categorization and interpretation of the findings of the country studies and the national variations of the subject matter encountered in them. Unlike the vast majority of the research papers on education and vocational training which have been consulted in the past in attempts to arrive at a supranational approach and which take the form of case studies or monographs and are therefore confined to the peculiarities of a given country, we believe we have tackled a problem that needs to be solved. In so doing, we faced the difficulty, one which arises especially where the time available for a preliminary study is limited, of obtaining differentiated information on the subject of the study by scientifically acceptable methods even where the researchers did not live in the countries concerned and did not therefore have the personal and intimate knowledge of everyday life needed for a critical appraisal. We have tried to solve this problem by using two methods to collect data: first, experts in the employment and education ministries, representatives of the two sides of industry and researchers were interviewed in each country; second, we consulted relevant conceptual documents on labour market policy and statistical sources, where they were available to us, with specific reference to the object of our study.

It was not least this that convinced us that the general structure of the study necessitated feedback through critical discussion, especially with experts in countries outside Germany.

The interviews with the experts focused mainly on the areas to which sections or passages of the various country studies are devoted (see Part II):

- trends in supply and demand in the national labour market, particularly since the mid-1970s;
- the main features of the national system of initial and continuing vocational training, with special reference to its preventive function in the labour market;
- the basic concepts and institutional structures of the system underlying the labour market policy, with particular reference to preventive programmes and effects;
- the system of company-financed continuing training, the relationship between publicly financed and company-financed continuing training and the preventive effects which the relationship or cooperation between these two areas of continuing training may have in the labour market.

However, this subject- and programme-based structure can only be regarded as a rough guideline. The above-mentioned aspects mark the approximate limits to the content of our interviews with experts, between six and twelve of which were conducted in each country. In fact, a flexible approach was adopted during these discussions, which were largely guided by the position of the interviewee, the structure of the development of and problems arising in the labour market of the country concerned, institutional strategies for dealing with labour market problems and the documentation and data available on the various aspects of preventive continuing training. This explains why the five country studies are not identical in breakdown or as regards the order in which topics are discussed.

In all the interviews with experts we were also interested in the wider national, historical context of the subject of the study, which focuses on the period from the beginning of the labour market crisis in the mid-1970s until the end of 1981, when the field work in the five countries was also completed. In the questions asked and information sought, this wider perception of the subject of the study was concentrated on possible changes in the form and function of labour market policy - particularly as regards the inclusion and utilization of pedagogical measures as an instrument of such policy - emerging in the last twenty to thirty years from the principal trends in and interaction between the economy, the labour market and the continuing training system in almost all the countries studied. It was this background knowledge which provided us with the substance and certainty we needed to create a theoretical explanatory framework (see sections II and III below) in which to arrange, interpret and finally compare the data obtained from the country studies.

II. Socialization-theory dimensions of the subject of the study

The attempt will be made in the following to define the concept of preventive continuing training in a theoretical framework that is as uniform as possible and to formulate within this framework practical propositions regarding the function of preventive continuing training in view of the labour market structures currently emerging and the reactions of labour market and social policies to this process. The theoretical framework chosen here is designed to avoid drawing on psychological theories (on the process of learning) and pedagogical theories (i.e. primarily empirical/descriptive ideas on one aspect of the subjective process of acquiring knowledge and the pedagogical process of teaching it) and to keep strictly to the categories of an approach based on socialization theory in the narrower sense. This process of adult education, being the assimilation of subjective reality or the transformation of identity, must therefore be related to the structure of the objective reality that precedes the assimilation process and to its change and particularly to employment and the labour market as the subjectively dominant aspects of reality.

1. Adult education as secondary socialization

Seen from this angle, adult education is a specific form of secondary socialization, which perpetuates those socialization processes of childhood in which individuals, in their interaction with other, significant persons, assume their roles and come to look on the adult world as a meaningful whole. During this process of internalization the growing child absorbs the aspects of the social world into which it has been born as it experiences them and, in so doing, acquires an identity, i.e. a conception of itself as an individual which grows stronger with age. Primary socialization can be said to end when the growing child has assumed an identity which is no longer related to the presence and physical existence of other specific, significant persons, but has acquired more stable structures. In other words, subjective identity is subjectively experienced as constant irrespective of other persons and thus in relation to other, generalized persons. It is therefore more independent and remains constant even though situations and contacts change. Given that the conception of social reality, or identity, is thus acquired in a relatively stable way, the individual usually has no difficulty translating his observations of objective reality into the subjective reality of his stock of experience (internalization of further experiences) or, conversely, using his stock of experience of subjective reality to interpret the phenomena of objective reality in a cognitive manner and to influence them (externalization or subconscious action).

Secondary socialization concerns all those processes in which experiences of objective reality are translated into the individual's biographically and socially preformed subjective reality. Although the everyday activities the individual undertakes with a sense of behavioural security are based on the assumption at the time that the objective reality experienced corresponds to the empirically certain subjective possibility that he is familiar with the world in which he lives, there are always other aspects of objective reality that lie beyond the horizons of the individual's present range of experience and cannot be made to conform to the limits and substance of his subjective reality. Seen from this theoretical angle, secondary socialization as a continuing process can thus be explained as the confrontation of the individual in his everyday life with events which are unknown to him from a social world considered familiar and which he must incorporate into his stock of well-tried experiences through the process of cognition. Such confrontations with new aspects of objective reality occur constantly, through the appearance of persons previously unknown, contact with the media, literature and so on, but particularly when the individual assumes a new role, changes his job, moves to another district, becomes politically active and so forth. While most cognitive processes that transform subjective reality tend to occur casually, those which entail the assumption of new roles are frequently seen as a break with the hitherto familiar stock of experience and are assimilated as such. Such cognitive processes may be triggered off by the assumption of new roles and the resultant barriers to action which cannot at first be overcome, or they may be initiated by the individual himself, or his environment, in anticipation of the demands the new role will make on him. This type of anticipatory socialization, of which initial vocational training is empirically the clearest form but which is also to be found in non-modern societies in all kinds of rituals attached to changes of status, is an essential feature of mobility processes. In any discussion of forms of preventive continuing training, which is intended to prepare individuals for situations with whose experiential demands they are not yet familiar, the concept of anticipatory socialization will therefore play a prominent part (see MERTON, 1968, pp. 319 ff.).

Adult education, a specific type of socializatory interaction, is empirically found in all three types of secondary socialization that have been mentioned (casual revisions of subjective reality, role adjustment and role anticipation). It must nonetheless be asked what specific circumstances lead to such cognitive processes in the form of adult education being regarded as pedagogically guided socializatory interaction. Empirically, it is known that, when confronted with initially unknown aspects of objective reality, the vast majority of adults do not - fortunately -require such pedagogical support. Cognitive processes of this kind, which always comply with the principle that new events are interpreted in terms of the subjectively available stock of experience and so brought close to a solution, normally take place during everyday discussions with other, significant persons (members of the family or other primary groups) or with other persons (workmates, etc.) through the constant exchange of such interpretations or through self-reflection by the individual involved in these everyday discussions. This dominant type of everyday adaptation of subjective reality reaches its limits where the structure of the everyday discussion in which the cognizing individual is involved is no longer equal to this need for intepretation (to take a very simple example, I cannot learn English in an exclusively German-speaking group) or where the discrepancy between the individual's available stock of experience and the cognitive structures of newly emerging aspects of reality is so great that it can no longer be overcome with the forms of interaction occurring during everyday discussion and the interpretative capacity of self-reflection. In such cases, the individual is often unable to interpret new experiences unless specific arrangements are made to assist the process of interpretation. Adult education is one of these arrangements, which are characterized by the systematic interdependence of the individual's previous experience and new experience to be assimilated (stages in the learning process) and by the provision of specific forms of interaction (pedagogical interaction) for this purpose.

2. Working capacity as a reference quantity for preventive continuing training

After these necessarily somewhat abstract preliminary remarks on the theoretical framework, it can now be applied to the subject that actually interests us. To this end, the theoretical argument must first be put in more concrete terms where it concerns adult vocational training. The reality of the pedagogically guided cognitive processes taking place in adult vocational training lies in those aspects of the social world which take the form of work aimed at the production of goods and services, as distinct from other sets of interrelated actions, and are institutionalized in forms of work organization subject to specific technical rules and social standards. For the individual these aspects of objective social reality are matched by specific structures of a subjective reality which can best be described as 'working capacity'. Vocational training processes which prepare the individual to cope with life in specific sections of the working world can therefore be regarded as the transformation of this subjective reality, which specializes in action in a given occupation. They reproduce working capacity to the extent that the individual's stock of subjective empirical knowledge of the occupation absorbs the reality of new work problems ('requirements') and so reproduces itself. Before this process of the reproduction of working capacity and the question of preventive continuing training in this context are discussed in detail, the term 'working capacity' should be explained.

Working capacity is normally taken to mean all aspects of an individual's ability and willingness to work, i.e. that stock of experience with which individuals take action to modify their environment while observing the rules and from which they are able to identify relationships between these rules and aspects of action at work on the one hand and their own indentity on the other. Ability to work thus means the instrumental aspect of this subjective reality, i.e. the provision of the rules, or systems of rules, for solving problems at work, meaning the storing of answers to the question 'how?' in the solution of problems. Willingness to work signifies the social approbation and subjective assimilation of standards for assessing the appropriateness of solutions to problems, thus answering the question 'why?' in the solution of problems.

In very general terms, it can be said that action at work presupposes both the ability and the willingness to work. Their combination, working capacity, thus has a dual correspondence in social reality: on the one hand, it is the expression of the individual's social constitution in his career; on the other, working capacity is a reflection of the specialized roles played by different individuals in the division of labour. These two aspects of working capacity - a biographical accumulation of a subjective stock of knowledge and cognitive correspondence to the functional and hierarchic division of labour

- make it unthinkable that working capacity should be reduced to a merely technical category, although this is frequently done from a pedagogical viewpoint and always occurs when the correspondence of the individual's occupational experience is reduced to the concept of the qualification, which ignores the link between a single component of knowledge and the identity and biography of the individual concerned. Pedagogically, this results, among other things, in disregard for the fact that a stock of subjective experience not only follows a causal logic but also has a time structure which reflects the chronological sequence of the events in life which go to make up experience. This leads to the familiar phenomenon of the learner being compelled to wring knowledge presented to him in the curriculum solely as a causal structure out of what is for him the essential time structure of experience.

A second short-cut taken in pedagogical reception consists in the widespread view that the link between experience and cognitive processes of working capacity and the structure of objective reality should be forged through the concept of the situation: individual aspects of objective reality are made points of reference in education processes, which for their part are integrated into the logic of treating nature, the organization of social interests and the maintenance of power through a division of labour. The situational shortening of education processes results in sight being lost of the integration of the emphasis in subjective experience on objective reality into the dynamism of this division of labour and its alignment with principles of social superiority and inferiority. Preventive continuing training, where one requirement is that it must be possible to determine the reality inherent in an aspect of subjective reality (component of knowledge) assimilated now for an anticipated objective reality (job structure), must therefore of nessecity bear the structures of the labour market and changes to these structures in mind. An interesting question for those personally involved in continuing training is how this anticipation of reality arises - for example, through references to shortages of skilled labour in certain occupations, in decisions on admission to retraining schemes or in the way in which employers consider continuing training in terms of the usefulness of the knowledge acquired to themselves, which may not necessarily accord with future developments as they concern the individual worker or the macroeconomic structure of the labour market.

To go into rather more detail on the concept of working capacity as regards the subject of interest to us here, the ability to work, as the instrumental aspect of a subjective reality that focuses on problems encountered in the working environment, can be broken down into degrees of complexity of the associated knowledge structures. Simply structured stocks of knowledge can be acquired and changed in only slightly formalized assimilation processes (e.g. in-company job familiarization), while more complex occupational knowledge requires more formalized pedagogical guidance. What we find interesting in this context is that the absence of appropriately demanding pedagogical facilities in itself results in continuing training usually achieving no more than a situational adjustment geared to the short term and in thus frustrating the goal of prevention, which calls for the anticipation of knowledge not yet available in the practical working environment or not, at least, in the context of the job.

Another aspect is the distinction made between different types of working capacity. In industrial sociology it has proved useful to distinguish between activities which relate to

1. technical problems (things),
2. adminstrative and commercial problems (symbols) and
3. practical problems of life (people) (see SCHMITZ, 1978, pp. 67 ff.).

Some activities cannot, of course, be assigned entirely and exclusively to just one of these three categories. Every activity has elements of each category, but is dominated by one of the three: the skilled worker by the first type, the office worker by the second, the social worker by the third and so on. It is also debatable whether we could not use the observation derived from socialization specific to given strata (Melvin Kohn) that specific cognitive patterns of subjective reality are associated with these types of activity. It can at least be said that special difficulty is encountered in processes of continuing training where the emphasis in these types of ability to work is shifting, where, for example, the skilled worker is being retrained as an office worker or taking part in works council training (change from the first to the second and third categories). Crossing the lines separating these categories usually requires a fairly extensive anticipatory effort on the part of those concerned since it frequently entails not only a change of status but also a change of fundamental cognitive patterns, which undoubtedly affects the opportunities open to preventive continuing training.

Willingness to work corresponds to such concepts as motivation to work, professional ethics and so on. Here again, working capacity varies considerably, from the professional disposition of the physician to the mentality of the manual worker. It is in each case the interpretative pattern from which the purpose of each instrumental act is subjectively derived or maintained. Caution is required here, however, if this concept is not to be used as Hartmann uses it (work, occupation, profession), since he ascribes such interpretative patterns only to the professions and some occupations, but not to routine activities, the instrumental and social scope of which is severely restricted (he refers to 'social guidelines'). This is undoubtedly wrong since it can be shown that such interpretative patterns necessarily form part of every individual's working capacity and that professions and other activities in which some freedom of action is enjoyed merely permit those concerned to apply this interpretative pattern directly as a guide for the instrumental content of their work, while the alienation which restricted activities entail is reflected in interpretative patterns which turn against the social organization of this activity (worker awareness). The types of cognitive patterns of working capacity distinguished above and the importance of the lines separating them for processes of continuing training undoubtedly cannot be discussed unless the interpretative patterns of willingness to work that correspond to these instrumental dimensions are also considered.

3. The problem of reproducing working capacity in the context of the working environment

From the viewpoint of the socialization theory, reproduction can be described as a continuous adjustment of subjective reality to new aspects of objective reality, i.e. the 'translation' of these aspects into the individual's stock of experience. Once the formation of a general and stable identity has been completed at the end of primary socialization, the reproduction of working capacity is usually in the nature of anticipatory socialization and takes the form of initial vocational training. It is considered socially normal for specialized working capacity to have fully developed by the time the individual begins to play his full role in the labour market. In other words, this translation process is no longer required and, because he has developed his subjective reality as the holder of a job, the individual is able to use this reality to grasp intellectually the objective reality he encounters in that job and to deal with it accordingly.

This is not, however, the only form of interaction between the objective working environment and subjective working capacity. For one thing, while the individual is at work, he is also undergoing a process which can be described as 'preserving' his subjective working capacity. In other words, in his daily contact with his working environment the individual regards his conception of his working capacity as self-evident and correct. How important this 'preservation' is can be seen where the interaction is interrupted during long periods of unemployment, for example, which inevitably results in the individual's working capacity no longer being reproduced as a self-evident subjective reality continually verified by workmates. Doubts about his own competence and, in the long run, a decline in his ability and willingness to work are therefore bound to follow (and cannot be averted by the knowledge that he himself is not to blame for his unemployment, that it has social causes). Consequently, forms of continuing vocational training which merely have the functional value of absorbing workers from the labour market, at least have the subjective value of enabling working capacity to be 'preserved'.

However, the interaction between working environment and working capacity not only results in changes to the working environment through work and the 'preservation' of working capacity: as it changes and reveals new aspects, the working environment is constantly being translated into working capacity, which changes in this process, i.e. accumulates work experience. This accumulation of work experience as a by-product of the work process has traditionally been seen as the only dominant type of change in working capacity. It has two main features: firstly, it does not create any material problems for the individual since this process of the reproduction of working capacity forms part of the gainful activity from which he makes his living. It is only when this reproduction is removed from the work process and into the realm of continuing training that making a living becomes an issue. The financing of continuing vocational training is therefore probably the most important factor.

Secondly, the opportunities for gaining work experience are very unevenly distributed in the labour market. In other words, jobs differ very substantially as regards the changes and new aspects of the working environment the worker can expect to have to cope with with his subjective working capacity. Only to the extent that these expectations of individual jobs are socially accepted, can such learning take place en passant. Rationalization, however, has led to most jobs being so designed that they are totally repetitive, resulting in a constant relationship between working environment and working capacity in which the latter may never change again. This is typical of run-of-the-mill jobs, which do, however, have the advantage, where the organization of work is concerned, that the requirements are so accurately defined that, when changing jobs, workers who have previously performed such routine activities, take very little time to assimilate the environment of the new activity into their working capacity. At times of full employment, this mechanism has protected semi-skilled workers against redundancy on the grounds that their qualifications were inadequate. At times of structural underemployment, on the other hand, it is these routine activities that are cut back, resulting in semi-skilled workers being left in the labour market with a very restricted working capacity (to which initial vocational training also contributes, of course) because of the routine requirements of their jobs and the limited opportunities they provide for learning something new.

4. Continuing vocational training as the reproduction of working capacity

Within this conceptual framework continuing vocational training can be defined as a specific form of the translation of aspects of the working environment into subjective working capacity which is characterized by the fact that such aspects of the working environment can be simulated in pedagogical interactions and so assimilated by the learner into his stock of experience. The degrees of simulation range from the demonstration of a manipulation in a given job (familiarization) to the depiction of problems in curricula (theoretical learning and so on).

Like the links previously established between learning and doing in adult education in general, vocational training for adults may take the form of

- incidental continuing training, which is thus more or less a part of the job being done: the workers concerned therefore expect to keep up to date through continuing training (this is primarily true of the upper echelons of the occupational heirarchy);
- continuing training as role adjustment: the worker takes a new job and subsequently acquires the working capacity required through continuing training;
- anticipatory continuing training in which the participants prepare themselves for the requirements they expect to have to satisfy in future roles.

5. Preventive further training as a category for study

The principal aspect of preventive further training to be studied will be defined more precisely against this background of determining working capacity and its forms of reproduction in socialization theory terms. The following definition already includes assumptions on the structural context of change in the economy, employment, the labour market and the approach consequently adopted in policy and further training in the last few decades.

These implicit assumptions are then sustematically elucidated in section III as reflections supported by empirical feedback and developed into an ideal type, taking the Federal Republic as an example for all five countries studied.

Preventive further training is intended to mean a form of adult education which is related to the labour market and prevents socially undesirable conditions from occurring in the labour market or certain categories of employees from being exposed to exceptional risks. Such undesirable conditions and risks may be:

1. Underemployment, i.e. the use of less than the employee's full potential. This presupposes the conception of the optimal exploitation of an existing labour structure. Where further training is used to prevent underemployment, its function is to distribute workers in the labour market in such a way that the jobs they do make adequate demands on them (horizontal mobility or upward vertical mobility).

2. Unemployment: while underemployment means that only part of an individual's labour is required by the labour market, unemployment means that for a time it is not required at all. Preventive further training means the prevention of unemployment as undesirable for the labour market and a burden on the individual by adjusting the working capacity of individual workers to the demand for labour in the present and future job structure. A distinction must be made here between a labour market situation characterized by full employment, where preventive further training serves the purpose of preventing frictional unemploy-

ment when employees are unable to adjust quickly enough to a change in the job structure, and preventive further training in a labour market where structural unemployment leads to a shortage of jobs in absolute terms, with the result that the point of reference for such training is not the current supply of jobs, or the supply of jobs emerging in the process of economic development, and the new jobs created through action under the employment policy become the criteria of successful prevention.

3. Psycho-social incapacity: while, as we have said, underemployment means that part of the individual's labour is not used and unemployment that none of his labour is used for a time, psycho-social incapacity means that the individual's labour is never used again. In bureaucratic terminology, he is 'unemployable' because he lacks the culturally prescribed attitude of mind required to do the work that would normally be expected of him. Incapacity due to illness or injury, resulting in the individual's departure from the labour market, is a problem familiar to labour market policy and is cushioned by the existing welfare systems. In contrast, the term 'psycho-social incapacity' is used to describe the current phenomenon caused by structural unemployment, which results in some people remaining unemployed for long periods. The numbers of the long-term unemployed grow steadily as structural unemployment continues. Subjectively, where such unemployment lasts longer than a year, it frequently results not only in instrumental occupational qualifications being lost for lack of practice but also in the identity of the unemployed and their basic willingness to work

dwindling in this situation of hopelessness and behavioural insecurity to such an extent that they are no longer socially capable of working for a living. These processes, fairly common at present, lead, through various mechanisms, to the permanent departure of such individuals from the labour market to become clients of the various social welfare schemes.

These three undesirable labour market situations, or the special risks to which certain individuals are exposed, thus have a hierarchic order and are causally interdependent.

In addition, those for whom preventive further training is intended differ with respect to their position in the labour market. The following distinction can be made:

- Gainfully employable persons who are immediately available to the labour market, i.e. they are employed or are registered as unemployed.

- Gainfully employable persons who are not available to the labour market for a specific period. These are mainly people who are temporarily unemployed for reasons unrelated to the labour market. Chief among these reasons are family commitments, which are characteristic of the interruption of gainful activity by women (young mothers), and 'recruitment decisions' by state institutions (convicts, soldiers).

Preventive further training for the first category of the gainfully employable involves fairly short planning periods and other methods of enabling the persons concerned to undergo training (leave of absence or periods of unemployment). For the second category the planning periods are generally longer, the goal in most cases is a change of job, if not of occupation, and the problems connected with finding time for training depend on the specific methods by which the individual's labour is temporarily organized (unpaid work).

III. Functions of preventive continuing training at a time of socio-economic change

1. Analytical approach

The causes, forms and effects of preventive continuing training of interest in this study are inherent in the structures of and changes to national labour markets. To permit an analysis of this interdependence between continuing training and the labour market, a causation model, in which structures of the economy, employment and labour market policy might be regarded as forming a triangle, will be used as a framework for problems and tasks of relevance to continuing training. In this regard, account must be taken of the following:

(1) The economic structure, i.e. all working methods and forms of cooperation (technologies, the size of firms, etc.) and their integration in a capital system and especially the international division of labour. This economic structure is of particular interest here as the factor which determines demand in the labour market.

(2) The structure of employment as an expression of the supply of labour, this structure being reflected in the breakdown of occupations, employment status (employed, unemployed, etc.) and above all the number and type of job-seekers.

(3) Labour market policy strategies, meaning typical forms of government reaction to the problem of striking a balance between supply and demand in the labour market. Continuing training - other than in-company continuing training - is an instrument used under this national labour market policy.

(4) Continuing training, as a labour market policy instrument, will be related here to its causes, forms and effects in a labour market situation arising from the triangle of the structure of the economy, the structure of employment and labour market policy. Of special interest in this context are the legal basis for this continuing training, information on its practical application and the strategies on which it is based within the labour market policy.

(5) Preventive continuing training. The specific question is how, taking the definition of prevention given above, continuing training, as part of this interdependence model, prevents, or is designed to prevent, socially undesirable conditions or exceptional risks to workers in the labour markets of the five countries studied.

The purpose of the model is to enable a study to be made of the causes, forms and effects of preventive continuing training in the five Community countries under the present conditions of emerging or prevailing structural unemployment. However, this study cannot simply take the form of an analysis of action currently being taken under labour market policies in view of the historical development in each country of the configurations of the interdependence model which have led to such action. It is important to remember, for example, that the continuing vocational training facilities and strategies available to labour market policy today have evolved under conditions of an economic system and a structure of employment which were characterized by full employment and that the functions they had to perform were different from those expected of them today. If this historical background to the situation in each country within the interdependence model is to be understood, the study must be based on an ideally typical flow chart of different configurations of this model.

2. Ideally typical phases of labour market policy

Common to all the Community countries is a number of basic factors that have given rise to the problem of continuing training in labour market policy, and the present functionality of this problem needs to be considered. After the war and especially after the establishment of the European Community, all the Member States continued or began a process of industrialization, which was characterized by continuous economic growth. As a result, the structures of the economies and employment systems of these countries have changed radically in the last 35 years. The social consequences of this industrialization process for the labour force have resulted in relatively strong action by the trade unions on behalf of the labour force throughout Europe. It is this in particular which has led to the development in these countries of similar and yet in some respects very different forms of welfare-statist policy, which, in the shape of economic policy, has not only promoted this process of economic growth but also, in part at least, offset the undesirable consequences or risks for the structure of the labour force. As we are chiefly interested in the use of continuing training as an instrument of wefare-statist labour market policy, we should obviously not proceed from a fundamental analysis of the industrialization process or the change in the structure of the labour force but consider the ways in which labour market policy has reacted to these development processes. In the debate on labour market policy, with which we are therefore primarily concerned, ideally typical patterns of reaction by welfare-statist labour market policy have emerged as the various stages in the development of the economic system have unfolded and problems have occurred in the labour market, and we shall be taking these patterns as the basis for our study. To refer in this context to an ideal type in WEBER's sense is appropriate because these patterns of reaction by labour market policy reflected the interpretations of the labour market problem which had evolved over the years and proved successful for a time. It is therefore appropriate that these ideal types should be used as conceptual patterns for the arrangement of the empirical data on the subject of the study.

In the following description of the three ideally typical phases of labour market policy, we have principally drawn on data collected in the Federal Republic for the detail added to the empirical structure, mentioning trends in other Community countries only in passing. These ideally typical and chronologically linked phases of action in the labour market can be described as reactive, active and integrative. Although the definition and variation of these ideal types would be enhanced through their transfer to other countries, the findings of our study - as much can be said even at this stage - and the insight into the historical data and socio-economic trends we gained while processing the various country studies confirm the assumption that, with some exceptions, these ideally typical distinctions are true of all the other countries. The special role played in some respects by the Republic of Ireland is principally due to its relatively late start in changing from an agricultural to an industrial country. In the case report on Ireland we use the term 'take off', introduced into the debate on the theory of industrialization by ROSTOW, to describe the stage reached in this country's transformation into an industrial society. 'Take off' implies the setting in motion of fundamental political, social and institutional changes to permit the first increase and the maintenance of economic growth in a society. This process of rapid economic advancement entails a radical change in production methods and the abandonment of traditional life styles and patterns (see ROSTOW, 1967).

2.1 Phase I: Reactive labour market policy

In the Federal Republic this phase was characterized by the slogan 'Economic policy is the best social policy', which dominated from the founding and reconstruction of the country until about 1965. This formula was, for example, adopted as a political strategy in the Federal Republic from about 1963 to 1965.

'Reactive labour market policy' is consistent in substance with the support given by WALTER EUCKEN and his theory of the economic order (1975^5) to the concept of the 'social market economy' that was propagated in the 1950s and 1960s. According to the 'Freiburg school' of national economics founded by EUCKEN, governments should generally refrain from political intervention in the economy. It is for governments and their economic policies to ensure conditions that comply with market principles, primarily with an efficient system of competition, thus releasing forces inherent in the market and stimulating exchange processes based on free competition. A government regulative policy of this kind, ideally accompanied by an effective price system, monetary stability, an open market, the protection and promotion of private ownership, freedom of contract, and the transparancy and constancy of economic policy, is most likely, according to this theory, to encourage a high level of production in the economy and to derive its social component from economic growth, which will lead to an increase in incomes and general prosperity.

Within an outline concept of this nature, based on the primacy of a society that trusts in the economy and the market, the action governments take in the labour market must be regarded principally as a dependent variable of economic policy decisions. It adopts a defensive attitude towards movements on the commodity markets and proves compatible with an interpretation of social policy that calls for the compensation of 'the absence of market efficiency from which certain categories of people suffer "with a liberally organized system of social security"' (STANDFEST, 1979, p. 12). Labour market policy does not exist as a separate area of government action in the narrower sense. It forms part of a social policy, which occupies a subordinate position within the model of the economic order and in relation to economic policy. The principal instruments of labour market policy are consequently the benefits paid to the insured when they are unemployed, placement and occupational guidance.

The setting up of the Board of Experts for the Assessment of Overall Economic Trends in 1963 marked the beginning of the end of this phase of reactive/compensatory labour market policy. As the social market economy model developed, disharmony and difficiencies that had previously remained concealed began to emerge and, in conjunction with the effects that technological change and the structural crises had on occupation structures in some branches of the economy, gave rise to loud demands in the mid-1960s for a change of approach in labour market policy.

The phase of reactive labour market policy will be discussed below in terms of the various dimensions of our analytical model.

2.1.1 The economic system

After a period of reconstruction the economic system began a phase of almost uninterrupted economic growth, encouraged both by the constant growth of domestic demand and by the expansion of export markets. As regards production methods, this phase was principally characterized by extensive industrialization, i.e. the technological level of production did not change substantially, the expansion of production being achieved by increasing the number of technical plants of approximately the same type. Productivity was improved primarily by changing the way in which work was organized and exploiting economies of scale (see FRIEDEMANN, 1953, p. 269). During this phase the manufacturing sector was the fastest to grow, while the primary sector declined steadily, leading to the transfer of a large proportion of the agricultural labour force to manufacturing. The growth of the tertiary, service sector was slower than that of the secondary sector.

This phase of economic development is also known as the 'years of the economic miracle'. This phrase owes its origins above all to the fact that the means of economic production and expansion enabled the country progressively to cope with the general social problems caused by the political consequences of the Second World War and, superficially at least, to achieve a new social consensus. The most serious of these problems were the integration of refugees and expellees from former parts of the German Reich, the reintegration of ex-servicemen and prisoners of war, and the reduction of the resulting mass unemployment of the immediate post-war years.

The recovery of the economic system and of firms during the reconstruction period was facilitated by a number of extremely favourable factors. Thus the production apparatus was still largely intact and technologically comparatively modern. Furthermore, the country had (at first) a more than sufficient supply of skilled labour willing to make concessions in their dealings with employers. The trade unions adopted a generally conservative attitude in wage negotiations, and the relatively low wage level, combined with an undervalued Deutschmark, therefore made an important contribution to the competitiveness of German goods on foreign markets. In these circumstances, employers considered it better to exploit the advantageous labour situation and existing technology and so to favour the quantitative/extensive utilization of human labour. In the first half of the 1950s in particular, the upward economic trend and the 'tremendous increase in productivity during this period (29.5%) were essentially due to the rising level of utilization of production capacities, which reached almost 100% by 1955' (BAETHGE et al., 1973, p. 29). The first signs of employers discovering technological progress as a factor of production were not seen until the second half of 1950s (see WOLKERSDORF, 1958). Thereafter it gained in importance as labour grew scarce in the 1960s.

2.1.2 The structure of employment

During the first phase the structure of employment was initially characterized by post-war unemployment, which had, however, completely vanished by the second half of the 1950s as the volume of production grew and absorbed increasing numbers of workers. This enabled the labour reserves in the Federal Republic (returning prisoners of war, refugees, people leaving the GDR, agricultural workers) to be integrated fairly quickly and easily into the secondary sector. At the technological level typical of this phase, that of extensive industrialization, few sectors had serious problems adapting the qualifications of the labour force: the initial training employees had had (in the Federal Republic the skilled labour force created by the dual vocational training system was relatively very important) and the work experience they continuously acquired enabled them to keep pace with economic growth without any special training processes.

It should be noted that unemployment in the first half of the 1950s was in every way comparable with the level that has now been reached in the early 1980s and at times was even higher. The unemployment ratio was 10.4% in 1950 and 8.4% in 1953. By 1955 a significant reduction to 5.6% had been achieved, but full employment - an unemployment ratio of 1.3% - did not occur until about 1960. Throughout the 1950s the decline in unemployment was accompanied by an almost continuous increase in vacancies, until the tide turned around 1960. The ratio of unemployment figures to vacancies then began to reverse, with the latter becoming scarcer and the gap tending to widen. Apart from a brief interruption during the 1966/67 economic crisis, this trend continued roughly until late 1973, early 1974 (see also NARR/THRÄNHARDT, 1979, p. 303).

As regards the structural nature of the unemployment problem in post-war West German society, the factor of the greatest socio-economic importance was, as we have said, the political aftermath of the Second World War, with an abrupt growth in population by eight to nine million displaced persons and the resulting social inequality.

> 'These peculiarities of our economic structure are joined by serious social factors. They are principally due to the fact that the shortages are very unevenly distributed among the various sections of the population and that the social contrasts which stem from the growing prosperity and growing wealth of a comparatively small entrepreneurial stratum and the steady deterioration of the position of the broad masses of the population have

not only not diminished but become far more noticeable in the last eighteen months. Suffice it to say here that a small section of the West German population has either almost reached or exceeded the pre-war standard of living, while the majority have to content themselves with a far smaller piece of the national product' (WAGENFÜHR, 1950, p. 3).

However, the emerging economic miracle was able to eliminate the manifestations of proletarization criticized here before the social fronts hardened to produce a real class society. By the summer of 1953 the problem of generally high unemployment had become one of high unemployment in certain segments of the labour market, confined mainly to certain regions or branches of the economy or prone to seasonal fluctuations. Thus even at this stage there was some juxtaposition of 'overheated' labour markets in the highly industrialized areas and high and 'persistent unemployment' in the industrially backward rural areas where refugees and expellees had provisionally settled (see WWI, 1953, p. 159). The building industry also accounted for a large proportion of West Germany's total unemployment figure in the 1950s: until the technical and organizational problems of building in winter had been solved, activities in this sector had to be suspended in cold weather. Some labour market observers of the time, however, were already claiming that the high level, or inconsistently high level, of unemployment was due to the occupational imbalance in the labour market and shortages of skills in the supply of labour. Sporadic proposals were consequently made for an increase by the employment services of appropriate training opportunities for the categories of adult workers concerned (see, for example, LANGE, 1956, p. 13).

Like the decades that followed, the period of economic reconstruction between 1950 and 1960 was characterized by a pronounced shift from the primary to the secondary and tertiary sectors of the economy. While 22.1% of the labour force was still employed in the primary sector in 1950, the figure had dropped to a mere 13.5% by 1961 (see Table 2). This high rate of intersectoral movement in the labour force, far higher than in subsequent years, reflects both the considerable success with which refugees were integrated and the tremendous demand for labour in the expanding industrial sector. Moreover, FOURASTIE's three-sector hypothesis, according to which economic development is almost bound to entail shifts in the structure of employment from the primary to the secondary and tertiary sectors, tends to find empirical confirmation in the Federal Republic (see FOURASTIE, 1954, pp. 136 f.).

Table 2 - Distribution of the labour force by branches of economic activity

Branch	1950	1961	1970	1976
0 Agriculture, forestry livestock production and fisheries	22.1	13.5	7.6	6.3
1 Fuel, electricity, water supply, mining	3.5	3.0	2.0	2.1
2 Manufacturing	30.9	37.6	39.4	35.9
3 Construction	7.9	7.7	7.7	7.0
4 Trade	8.8	11.8	12.3	12.0
5 Transport and communications	5.5	5.6	5.5	5.9
6 Banking and insurance	1.0	1.7	2.6	3.0
7 Services	8.3	11.2	13.3	15.7
8 Non-profit organizations and private households	3.8	2.0	1.3	1.6
9 Territorial authorities and social insurance	6.0	5.5	8.1[1]	9.9
10 Other	2.2	0.4	0.2	0.7
	100.0	100.0	100.0	100.0

[1] including members of the armed forces

Source: Die Verteilung der Erwerbstätigen auf Wirtschaftszweige und Berufe in den Jahren 1950, 1961 und 1970. Eine statistische Analyse der Volkszählungsergebnisse, W. KARR et al.
in: Mitteilungen aus der Arbeitsmarkt- und Berufsforschung, 1974, p. 343.
Beiträge zur Arbeitsmarkt- und Berufsforschung 3. 1, Nuremberg 1978

2.1.3 Labour market policy

Labour market policy at this time followed on from the tradition of the pre-war period and was thus confined to the functions prescribed by the unemployment insurance legislation, these being the payment of unemployment benefits and placement, i.e. guidance through information on the supply of and demand for labour. The link with the labour market policy of the Weimar Republic was reflected in the 1952 Act establishing a Federal Placement and Unemployment Insurance Institution, which was an institutional and conceptual extension of the similarly worded 1927 Placement and Unemployment Insurance Act (see PRELLER, 1949). Thus the Federal Republic's reactive labour market policy also sanctioned the basic social fact which had determined the Weimar government's activities in the labour market, 'that in the machine age paid employment has become the dominant way of life for the majority of the population and that the tragedy for the working masses is essentially that they are unable to achieve independence' (MELSBACH, 1924, p. 52). In view of the consequent 'impossibility for the worker himself to determine the extent of the material success of his work' (ibid.), this policy opted for a strategy geared to the idea of protecting the worker: 'Thus the essence of any labour policy which also leaves the stamp of social policy on the whole system is the idea of protecting the employee. Through this protection unequal forces are artificially made equal' (op. cit., p. 53). A protective policy of this kind, which limited ruinous market competition and sought to assure the unemployed of a decent living, did not exclude the possibility of assisting and funding continuing training schemes provided that they did not go beyond the idea of social protection that was rooted in a tradition of welfare services. Consequently, even during the phase of reactive labour market policy, the possibility of financial assistance being provided for further training and retraining schemes (the insured had no legal claim to such assistance; the employment services could assist continuing training measures as they saw fit and if they considered them appropriate to labour market policy) was not excluded. It was included in a list of 'measures designed to prevent and terminate unemployment' (BUNDESMINISTER FÜR ARBEIT, 1956, p. 36).

2.1.4 Continuing training

In view of its subordinate position and incidental nature within reactive labour market policy, continuing training seldom emerged as an instrument of government action in the labour market. Only in isolated instances did continuing vocational training assume any significance, partly as an institutional form of promoting advancement to middle-management level (e.g. master craftsmen and technicians; see SCHELP/KOBE, 1962) and partly in the form of retraining, as during the crisis in the mining industry (decline of the primary sector), which resulted in the redundancy of many miners (skilled and highly unionized), who were not prepared to foot the bill for this labour market adjustment process. In the Federal Republic some of these retraining measures drew on experience gained at the time of the Weimar Republic and even while the Nazis were in power. In-company further training, which is designed to improve the usefulness of the work force to the firm, was not widespread at this time. It is interesting to note, however, that what few in-company further training schemes there were at this time were chiefly concerned with the rationalization of work (time-and-motion courses).

Otherwise, continuing vocational training was largely confined to efforts by employees to improve their promotion prospects in their spare time (e.g. evening classes for technicians, etc.). The limited importance that was generally attached to adult education in post-war West German society is evident from its largely occasional nature. Little full-time, institutional adult education was available. The few courses offered were given by unpaid, part-time staff. The government did very little for adult education, leaving such activities to social groups and adult education associations. Except in the Federal Land of North Rhine-Westphalia, where legislation on grants to adult education centres entered into force in 1953, there was no legally ensured assistance for adult education. The marginal nature of adult education was a reflection of its image in the eyes of the education authorities and of society, according to whom adult education was not part of the (public) education system. The image of adult education centres and ideas of adult learning resulted from the dominance of the reasonably well educated classes and a humanist concept of education that had little to do with employment and the labour market. Nonetheless, almost unnoticed by the public debate on education policy, the adult education centres began to orient their activities towards occupations, by providing shorthand and typing courses, for example, during the second half of this phase.

It is possible to trace a line of development and pattern of experience from the quantitatively insignificant retraining courses which have already been mentioned back to the time before the 1927 Placement and Unemployment Insurance Act, when retraining courses were considered an element of 'productive welfare for the unemployed' and used as 'a means of achieving equilibrium in the labour market which is primarily geared to the nature of the work and those seeking employment', so that the unemployed might be systematically 'moved' to jobs and occupations where there was room for them (see NEUBERGER, 1923, p. 73). Although contemporary reports on the labour market and the data available today are far from complete, the impression is that differentiated and systematic use was made of retraining. We refer for this purpose to the typology developed by NEUBERGER, who classified the practical results obtained through vocational retraining by occupational objective and occupational origin as follows:

'a) retraining by regrouping whole occupational fields and changing occupations in the most general way, e.g. moving urban workers back to the land,

b) retraining skilled workers in related occupations, e.g. retraining letterpress printers to do graphic work and colour printing,

c) converting unskilled workers into skilled workers, e.g. turning bricklayers' mates into skilled bricklayers,

d) retraining skilled men not working in their original ocupations to become skilled workers again (retraining courses)' (ibid.).

All these methods of using retraining as an instrument of productive welfare for the unemployed included adult education in various forms and changing didactic arrangements. Retraining leading to a change of occupation, type (a) above, primarily involved lectures on the economic importance of changing occupations. The pedagogical work done at the workers' colonies set up specifically for this purpose was designed to play more than just a support role in ensuring that retraining benefited the labour market. The other types of retraining, (b) to (d), differed principally as regards the importance attached to theoretical training and in-company practical work or the degree to which a distinction was made between the place of learning and the place of work. One of the decisive factors here was the nature of the body providing the retraining. In firms, as private bodies, much of the retraining was provided in conjunction with productive work, theoretical instruction being merely incidental. In contrast, the retraining courses arranged by the employment services tended to place the emphasis on theoretical instruction and judged the success of retraining not least by the numbers passing a final examination as an indication of lasting success in the labour market. However, retraining as a form of adult education related to labour market needs had its limits in the Weimar Republic where the blending of productive welfare for the unemployed and practical employment reached the stage - as it did in the 'workshops for the incapacitated', for example - where it changed from a training measure into occupational therapy (op. cit., p. 75).

Although the level of reflection and of conceptually experimental development during the Weimar Republic seems to have been generally higher where the various types of retraining instrument are concerned than at the time of reactive labour market policy in the 1950s and early 1960s, it cannot on the whole be denied, as PRELLER, an expert observer of the contemporary labour market scene, also emphasizes, that the welfare aspect dominated and that the stage at which retraining was regarded primarily as an instrument of labour market policy had not been reached, even if it was very close at times (PRELLER, 1949, pp. 368 f.).

2.2 Phase II: Active labour market policy

The mid-1960s saw a change of course in the economic and social policies of almost all the European countries. This resulted in labour market policies which, unlike their predecessors, were designed not only to maintain but also to shape structures. This occurred within the framework of economic policies under which government attitudes towards the inherent dynamism of economic development became less and less impartial, the feeling being that the factors essential to economic balance (economic growth, full employment, price stability and balance-of-trade equilibrium) must be safeguarded not only by fiscal means and central bank policy but also by actual intervention in the economic process. A subsidiary aspect of this trend was the growing importance attached to the demand for the elimination of regional differences.

Thus this policy too gave pride of place to economic growth, but was based on observations at this time that such growth cannot be achieved solely through the inherent dynamism of the economic system. This was apparent from the crises in various sectors (mining, steel, textiles), and it was also realized that economic growth presupposes a high level of production technology, which had to be raised even further if the Federal Republic was to compete with other countries (especially the USA). This new economic policy debate gave rise to the theories of the technological gap, the education disaster and the know-how explosion. With this change of perspective, the economic aspects of education and instruments based on these aspects first found a place in labour market policy. The indicators at the various levels of the analytical model assumed a new quality during this second phase.

2.2.1 The economic system

Although the economic system continued to be largely characterized by a high rate of economic growth, the latter was shaken by cyclical crises from time to time (in 1966/67, for instance). Domestic demand continued to grow, and the expansion of export markets still formed a sound basis for further economic growth. The sectoral structure underwent a new kind of change: the primary sector had shrunk to a relatively low quantitative level, while the manufacturing sector featured internal changes and, towards the end of this phase, a reduction in the work force, whereas the numbers employed in the service sector grew steadily. A major factor in this trend was the shift in the level of production technology from extensive to intensive industrialization. In other words, new kinds of technical equipment were developed, changing the productivity of jobs and the structure of products. In some branches of the secondary sector this intensive industrialization resulted in more workers becoming redundant than were re-employed, although this tendency was not general, demand for labour growing in other branches (the car industry) and in the service sector, ever ready to absorb workers (the public services being the fastest to expand).

Compared with the previous period, when the volume of production rose sharply and productivity improved in almost every branch of the economy, with only a slight increase in capital intensity (average input of capital per job), owing both to technical innovation and to more efficient forms of organization and more intensive working methods, growth of production during the phase of active labour market policy was limited. As the size of the labour force remained generally static - a downward trend being avoided only by recruiting large numbers of foreign workers - (see GERSTENBERGER, 1976, p. 45), economic growth could now be achieved only by changing and increasing the technology used in the production and work process. Statistically, this trend is revealed by a clear rise in capital input per job (op. cit., p. 48).

The increase in the use of technology and in capital intensity in major branches of the economic system was accompanied by a continuation of the process of the concentration of business that had already begun at the time of reconstruction (see HUFSCHMID, 1969). This was reflected in a decline in the number of self-employed persons and family members helping them. There was also a growing tendency for oligopolies and cartels to form, resulting in the development of wide-ranging, inter-company production agreements, without which the introduction of large-scale technology and research-intensive production processes would have been economically impossible in many cases. The interest of employers in the utilization of 'technological progress', i.e. the tendency for human labour to be replaced with processes of - in terms of capitalist rationality - advanced mechanization and automation (rationalization) was also stimulated by an expansive wage policy and - as we see it now - the considerable power wielded by the trade unions in collective bargaining. Their interest in labour-saving processes also grew as a result of collectively agreed reductions in the working week, with which they had been confronted since the late 1950s and which in no way alleviated the problem of scarce labour, and the increasing time spent in education and training.

The new production plants were not at first able to work at full capacity owing not only to weaknesses in the cyclical and economic policies but above all to the shortage of sufficient labour with suitable qualifications. BAETHGE et al. refer in this context to a widening gap between the growth of capital intensity and the increase in productivity in the first half of the 1960s. They see this suboptimal utilization of the modernized instruments of production as a belated factor in the economic crisis of 1966/67 (BAETHGE et al., 1973, p. 32). The various reports of the Board of Experts for the Assessment of Overall Economic Trends, which was set up in 1963, list all the factors of the foreign trade, monetary, budgetary, wage, structural, growth and currency policies which led to the 1966/67 economic downturn (see HÜFNER/NAUMANN, 1977, pp. 37 ff.) and stress the need to link balanced growth policy and longer-term economic structural policy and the growing importance of retraining or continuing training within these policies for the constant overall development of the economy. In various of its statements from the mid-1960s onwards the Federal German Government also recognized the economic value of purposeful adult vocational training schemes geared to the labour market as a force for structural mobilization.

The economic decline in 1966/67, which was overcome relatively quickly through the incorporation of trade-union policy on wage agreements into the national incomes policy through the medium of 'concerted action' involving both sides of industry, through the resulting control of labour costs and not least through a substantial increase in exports (unlike the labour market and economic crisis that has persisted since 1974/75, the 1966/67 crisis did not affect the Federal Republic's leading foreign trade partners), marked a change of direction in the country's post-war development not only economically but in particular politically.

Government policy changed from attempts to preserve structures to efforts to shape them. The on-going process of economic restructuring was encouraged and supported by the expansion of infrastructural reproduction conditions and corresponding government measures. To a limited extent, the principles expounded by the British economist KEYNES were adopted for the cyclical and budgetary policies. The economic crisis of 1966/67 also helped to give birth to a set of instruments for an active labour market policy, since the coincidence of redundancies in declining sectors and the demand for labour in expanding sectors provided a clearer indication of the need for government coordination of the process of mobilizing and retraining the supply of labour.

Against this economic and political background, probably the most significant innovation was the Promotion of Stability and Economic Growth Act of June 1967. It added to the monetary and credit policy instruments hitherto used by the German Central Bank to control the trade cycle. Henceforth the Federal Government was committed to playing the role of the active guarantor of economic balance and to providing economical safeguards for a welfare-statist policy. Specifically, it undertook to aim at achieving the 'magic formula' of price stability, a high level of employment, foreign trade balance and continuous economic growth. A second major innovation in the government's repertoire of measures to guide the economy in the late 1960s was the set of instruments created for the sectoral and regional structural policies. They included the direct promotion and subsidization of high-technology or research-intensive branches of the economy which had to be regarded as key industries in the Federal Republic's competition with other countries. Furthermore, government action was now aimed at the elimination of the economic and social disadvantages from which regions with industrial monostructures and dominated by agriculture suffered.

The extension of political and administrative competence for action relating to the more complex processes of economic structuring was, however, unable to stop the drift into the economic crisis that began in 1973/74. The middle classes blamed this on the inconsistent application of the Promotion of Stability and Economic Growth

Act. In addition, the sharp decline in company profits from 1968 to 1973 was attributed to rising labour costs (see SACHVERSTÄNDIGENRAT, 1978/79, p. 50). These tendencies were again accompanied by the reluctance of companies to invest.

From this macroeconomic view of the situation it can be argued that the economic and labour market crisis that began in the Federal Republic in 1974/75 was by no means entirely due to the rise in oil prices or the 'energy crisis' of 1973/74 (see HIRSCH, 1980, p. 23). In fact, the steep rise in oil prices hit the Federal Republic's economy at a time when its international competitiveness was already on the wane.

The employment policies pursued by companies since the early 1970s reveal increased efforts to improve cost structures. This is reflected in the restructuring of firms and waves of rationalization, with use already being made in some cases of microprocessor technology to save jobs. In addition, firms have been able to organize work more efficiently and combine tasks, through sophisticated job and wage assessment procedures, for example (see JACOBI/MÜLLER-JENTSCH, 1977).

2.2.2 The structure of employment

During the second phase the structure of employment was largely characterized by full employment and even overemployment for many years. The sectoral shift also resulted in an increase in the number of occupational mobility processes, but no longer at the same level of qualification requirements. A German Employment Minister has given the following assessment of the magnitude of intersectoral movements of labour in the first two phases of labour market policy considered here:

> 'From 1950 to 1960 employment increased by almost 4 million in manufacturing industry and by 3.5 million in the tertiary sector. While employment in manufacturing industry then remained virtually static until 1973, the last year before the world economic recession, the number of jobs in the tertiary sector again rose by almost 2 million, despite the scarcity of labour' (EHRENBERG, 1977, pp. 63 f.).

The qualitative restructuring of the economic system is also evident, however, from the various forms taken by the intrasectoral mobility of the working population. Changes of occupations thus became a generally recognized problem and raised the question of the adjustment of workers' qualifications during the second phase discussed here.

The process of global shifts in the labour force thus continued along the lines predicted by FOURASTIE and his three-sector hypothesis. However, reference must also be made in the context of our study to the arrival in the labour market of increased numbers of workers lacking any prior industrial or occupational socialization and to the new tasks this created for labour market policy.

- The rise in the number of foreign workers resulted in substantial changes as regards the areas in which German workers were employed. In manufacturing and construction particularly, the number of German employees fell while the number of foreign workers rose. In general, German workers were decreasingly assigned to manual and especially industrial and unskilled activities. Against this empirical background, GERSTENBERGER argues that German workers were generally upgraded at the expense of foreign workers in the 1960s (GERSTENBERGER, 1976, p. 15).

- While labour with a rural and agricultural background continued to be recruited primarily for industrial jobs, the mobilization and employment of women grew in importance as a marketable factor. They were chiefly employed in the service sector - mostly as salary-earners - and in unskilled industrial jobs. The growing demand in the economy for female labour was accompanied by a change in the traditional image of the family and in the reorientation of labour market policy as related to the family and women. Consequently, the 1969 Employment Promotion Act explicitly emphasizes the need to promote and increase opportunities for women to find work (see section 2 of the Act).

The problem of occupational mobility became not only a subject of public debate when it was suggested that the last had been seen of the traditional concept of lifetime occupations but also an important area of research within the empirical social sciences. An independent research discipline emerged in the area where economics and sociology overlap: labour market and occupational research. An institute was, for example, established under the auspices of the German employment services to conduct research in this field. It has the task of laying the analytical, evaluative and prognostic foundations for an active labour market policy based on scientific findings. One of the main subjects researched by the institute during the phase of active labour market policy was the extent to which processes of occupational mobility were taking place within the German working population, the forms they took and methods of coping with them. An important aspect studied during these quantitative empirical investigations was the link between mobility and continuing vocational training. The most extensive study conducted into this aspect, the 'Study of Occupational Patterns' by the Institute for Labour Market and Occupational Research of the German Employment Services, discovered - in global terms - a wide range of changes in the working lives of the German population extending beyond the confines of given occupational fields. Thus between 1955 and 1970 around one third of gainfully employable males had had one or more jobs in occupations other than that in which they had received their training (see BRINKMANN et al., 1972, p. 114). It proved impossible, however, to find evidence in support of the simple notion that the increase in occupational mobility at the level of the individuals concerned was reflected in the need to participate in continuing training schemes. In fact: 'The decisive factor in the link between a change of occupation and continuing vocational training is not so much the change itself as its direction, i.e. upwards or downwards' (op. cit., p. 119). In addition, the first indications that differences in requirements and qualifications depending on the job situation may also vary specifically with participation in continuing training were found (see also BRÖDEL et al., 1976).

From the general research carried out in this field it was impossible to state as categorically as was frequently assumed in the debates on education policy and pedagogics what implications the change in sectors, firms, technology and the organization of work would have for the structure of jobs and occupational qualification requirements, a question of interest to both labour market and education policy. In the debate on industrial sociology, various arguments were advanced regarding the effects of technological change on the qualifications required in given jobs and the resulting demand for labour among employers. During the phase of active labour market policy there were three competing and to some extent complementary theories: the hypothesis of general upgrading, particularly of industrial work, as technological progress is made; the polarization theory, according to which technological progress is not an independent quantity but is transformed as a function of socially dominant interests, resulting in an increase in the responsibilities of a limited number of employees and in forms of work requiring no skills for the majority; and thirdly, the downgrading theory, which would have most working people engaged in intellectually and manually simple activities. The empirical foundations of an active labour market policy which was attuned to the various elements of a form of adult education geared to the labour market would comply with the first hypothesis in particular, but also with the second.

2.2.3 Labour market policy

The factor which led to the change from a reactive to an active labour market policy was the 1966/67 economic crisis. This shift in the objectives pursued and the approach adopted by the labour market policy found provisional institutional expression in the seventh amendment to the Placement and Unemployment Insurance Act, the legislative predecessor of the Employment Promotion Act, and in the 'Directives on vocational training measures' issued by the Administrative Board of the Federal Placement and Unemployment Insurance Institution on 22 March 1967, in which provision was made for 'aids to occupational adaptation and the commencement of employment', the emphasis being on the promotion and financing of and participation in vocational training schemes with a view to preventing or terminating unemployment or underemployment. The interest in the preventive effect in the labour market and the employment situation, with full employment as the target, was evident from the relatively wide range of workers for whom the vocational retraining measures were intended:

> 'Anyone whose job is threatened may attend a course of vocational retraining ... What is important is that these opportunities are actually seized. Anyone in this situation should begin thinking about his position as soon as possible and start retraining early enough to make sure he has the kind of job which will be proof against any future crisis and can only be found if he has the skills that can be acquired through retraining' (SOZIALER FORTSCHRITT, 1967, p. 235).

That the traditional limits to labour market policy had been exceeded was also evident from the extension in the seventh amendment to the Placement and Unemployment Insurance Act of responsibility for action in this field to goverment agencies: the organization of occupational adaptation processes was no longer left entirely to the tripartite (employees, employers, government) self-governing employment services but was also recognized as being a task for a labour market policy that is the responsibility of central government.

The 1969 Employment Promotion Act converted these broad lines of adult vocational training geared to the labour market into a more comprehensive set of active labour market policy instruments and gave them a legal basis. The Federal German Government now regarded labour market policy as a very important and relatively independent area of policy, coming under the general heading of a protective social and economic policy. It served the dual purpose of ensuring the well-being of both the individual and the economy as a whole:

> 'Employment and occupational promotion measures are designed to protect jobs against cyclical and seasonal economic trends and to create new jobs when economic changes occur. Good initial and continuing vocational training improve occupational and thus economic equality of opportunity, increase mobility and reduce the risks to which the individual's livelihood is exposed. They improve the citizen's future incomes prospects and the economy's stock of knowledge and skills. This makes for greater efficiency and economic growth' (DER BUNDESMINISTER FÜR ARBEIT UND SOZIALORDNUNG, 1971, p. 18).

On the one hand, a labour market policy approach as described in the above quotation reflected a concept of social policy that was no longer confined to a social insurance system which simply dealt with the symptoms of aberrations of the market economy. It broke with the defensive and compensatory self-restraint of a tradition of BISMARCKian social policy which had been virtually uninterrupted until then and required the insured to act collectively where one of the standard social risks threatened the proletariat in a society dominated by industrial capitalism (age, illness, accident, invalidity, unemployment), principally by compensating for the loss of wages. On the other hand, this new labour market policy found active expression in its close links with

'1. an active cyclical policy, designed to ensure a high level of employment,
2. a structural policy, which endeavours to take account of economic changes,
3. a modern education policy, which seeks to offer all sections of the population opportunities to achieve a higher social status and to get on' (Minister Katzer during the first reading of the Government's Employment Promotion Bill in the Bundestag on 13 December 1967, quoted by BLANKENBURG et al., 1976, p. 259).

This macro- and politico-economic reference framework for government action related to the labour market finds legal expression in section 1 of the Employment Promotion Act. Adult education geared to labour market needs as the 'qualitative aspect of an active labour market policy' (see LEMINSKY, 1967, p. 266) thus largely took the form of 'productive' social activities (see STANDFEST, 1978, p. 22) in the late 1960s and the first half of the 1970s in that the government assumed responsibility for the planning and preparatory work for the capitalist economic process by establishing training and retraining programmes.

The provisions of the Employment Promotion Act, with its procedural principles and the emphasis it places on specific areas of action, are the institutional reflection of the concept of active labour market policy and the idea of prevention that is its guiding force and gives priority to an anticipatory employment promotion policy. Particularly important in this respect is section 2 of the Act, which lists the objectives in very general terms:

(1) preventing and reducing unemployment and employment which does not make full use of qualifications,
(2) improving and ensuring occupational mobility,
(3) preventing, compensating for or reducing disadvantages such as the various manifestations of threats to the individual's livelihood, where their causes lie in technological and economic change,
(4) promoting the occupational integration of the physically and mentally handicapped and the emotionally disturbed (offensive and comprehensive rehabilitation),
(5) occupational integration of female workers after a period of unemployment for family reasons,
(6) occupational integration of the 'problem groups' in the labour market (particularly older people),
(7) improving the regional and sectoral structure of employment.

It can hardly be denied that this list of objectives was strongly influenced by the situation at the time. It clearly reveals the shortage of labour in the German economy and, it might be claimed, appears quite compatible with the demands of a social policy which has a humanitarian commitment and keeps the social peace. The case study by BLANKENBURG et al. sheds some light on the real motives underlying the parliamentary process that gave birth to the Employment Promotion Act. The authors are able to deduce the view taken of the labour market that determined the approach adopted by the leading politicians of the time. A decisive factor appears to have been the sectoral and regional crisis in the mining industry, which coincided with the 1966/67 cyclical crisis. There was also the 'manpower approach' that dominated the debate on the economics of education and training. Two basic convictions thus underlay the aims of the Employment Promotion Act:

'- technological and social change necessitates a high level of sectoral and occupational mobility,

- such change also necessitates a generally higher level of qualifications' (BLANKENBURG et al., 1976, p. 272).

The authors see a third cornerstone of the legally based employment promotion policy in the view expressed by LUTZ/SENGENBERGER, following an evaluation of the labour market policy, that congruence of the individual's interest in adaptation and objectively necessary adaptation is essential: the basic concept of the Employment Promotion Act, they claim, presupposes that the interest of workers and employers grows where both are affected by the negative aspects of socio-economic change. This premise also forms the basis of the general right under the Act to participate in retraining and continuing training schemes (see LUTZ/SENGENBERGER, 1974, p. 118).

To enable the goals of employment promotion to be converted into practical policy, the Act defines the various areas of activity (section 3), the order in which they are given being to some extent an indication of their priority:
(1) occupational guidance,
(2) placement,
(3) promotion of vocational training,

(4) promotion of occupational rehabilitation,
(5) payments to preserve and create jobs,
(6) payments to compensate for loss of wages in the event of unemployment, short-time work or the employer's bankruptcy.

A factor without which these focal points of the operationalization of active labour market policy would have had no effect was the improvement of the instruments for the systematic observation of the labour market and the establishment of the above-mentioned Institute for Labour Market and Occupational Research, whose analytical, evaluative and prognostic facilities enable it to advise on policy. A very important procedural principle for the pursuit of an active labour market policy is explicitly laid down in section 5 of the Employment Promotion Act. It states when priority is to be given to placement in initial vocational training, employment or continuing vocational training over compensation for loss of wages in the event of unemployment, short-time work, time lost in the construction industry due to bad weather, or bankruptcy. Placement in appropriate social structures of employment and training must also take precedence over measures which would directly influence the supply of jobs and therefore relate to the demand side of the labour market. Representatives of the German employment services placed particular emphasis on the preventive idea reflected in the priority given to placement, seeing it as the guiding principle, the task of the Employment Promotion Act being to provide insurance cover against the risk of unemployment:

> 'The effect the Employment Promotion Act has in preventing unemployment thus stems less from the list of activities for which it provides than from the recognition of the interplay of cause and effect between the economy and the labour market, from the desire expressed in the Act to counter adverse effects in the labour market in their initial stages and, not least, from the motive underlying its application: actively to influence recognizable developments rather than passively awaiting their consequences' (HOPPE, 1977, p. 381).

From the content and ratio legis of sections 3 and 5 of the Act it can be said of the institutional shaping of the German concept of active labour market policy that the main emphasis in the promotional measures clearly lies on the supply side of the labour market and so on the adaptation of human labour to the conditions and structural changes in the employment system in a generally expanding economy. Active labour market policy, on the other hand, is less than, or at best subordinate to, a policy related to demand, whose strategy would be aimed at influencing jobs and creating new ones. This structural weighting of the Employment Promotion Act should be borne in mind, since it can be blamed for one of the functional weaknesses of the Federal Republic's labour market policy in the crisis that began in 1974/75.

Our efforts to assess the relationship between our own definition of the objectives and the appropriateness of measures taken under the supply-side employment promotion policy to the situation actually prevailing in the labour market in the period considered here raised problems even when a closer examination of the assumptions on labour market theory that had led to the adoption of the Act was made to see whether they were empirically correct. In the following we therefore look in some depth at the findings of the above-mentioned exemplary study of the labour market by LUTZ/SENGENBERGER. It concludes that government labour market policy is geared almost exclusively to the 'skilled' labour market and that it both ignores the market in the 'run-of-the-mill qualifications' of the unskilled and semi-skilled and overlooks the growing importance of labour markets within individual companies and the problems they cause by splitting the overall labour market. In their empirical study, which they carried out and completed during the phase of active labour market policy, LUTZ/SENGENBERGER adopt the hypothesis that the government's labour market policy, geared as it is to the neoclassical model of the economy, is capable of explaining only part of what actually happens in the labour market. Its approach wrongly suggests that the adjustment of supply and demand in the labour market will very largely be accomplished through workers changing their jobs, or inter-company mobility. This presupposes, however, that the skilled labour market[1] is the structure which dominates in processes of matching supply and demand. The propensity towards mobility that is functionally necessary and subjective willingness to accept mobility contrast, however, with the actual behaviour and attitudes of workers (see also JASTROW, 1902, p. 61). The mobility propagated in the employment promotion policy, which is to be made possible in particular through participation in continuing vocational training processes, contrasts starkly with the finding in all studies of mobility that it is the least qualified workers who account for the largest proportion of movements in the labour market. Thus, in the Augsburg region studied by LUTZ/SENGENBERGER, the male and female workers interviewed believed they were more likely to get ahead by staying with the same employer than by changing employers (op. cit., p. 26). This leads the Munich researchers to argue 'that a series of socio-economic changes has encouraged the emergence of or increase in qualifications specific to given firms and that, as this trend has continued, the neoclassical theory has become far less capable of explaining it' (op. cit., p. 71).

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[1] The authors define skilled labour markets as 'markets trading in skills which can be transferred from one firm to another' (LUTZ/SENGENBERGER, 1974, p. 59). Skilled labour markets occur when the supply of workers with the skills required for an individual firm varies or 'the (quantitative or qualitative) demand for such skills in the firm is inconstant' (op. cit.).

Apart from changes in the organization of firms and changes related to sales, as demonstrated, for example, by an extension of the division of labour among firms, by an increasing tendency for firms to specialize or by the growing average size of firms and companies, it was not least the shortage of labour at the time of full employment (1959/60 - 1973/74) that provided the basic impulses which led to the formation of in-company labour markets. In these circumstances, employers were concerned to keep their employees and adopted a twin-track approach in their attempts to solve problems in production connected with the reorganization of work and demand for workers with the right qualifications. On the one hand, they placed the greatest emphasis on the formation and upgrading of a permanent workforce by assigning to key positions in the firm and its production process employees who seemed likely to comply with the performance ideology and to be loyal to the firm. Such employees tended to be middle-aged German males who had been trained by the firm or to a higher level. As 'technological progress' was converted into forms of work organization, they became the most important people for the firm's productive activities because they were difficult to replace. The process of reproducing working capacity which they underwent consisted partly in role adjustment, whereby they seized the opportunities to learn that were functionally inherent in the continuing work process (see, for example, BRÖDEL, 1979, pp. 323 ff., 352), and partly in anticipatory socialization through the by then extensively institutionalized in-company further training schemes. At the same time - and this was the other side of the strategic approach adopted by firms under the conditions of full employment to bring together production, technology and labour in a manageable form in their day-to-day activities - new categories of labour, mostly with little previous experience of industrial work (women, Southern European immigrant workers), were exploited. In a way, this had predictable consequences for the technical methods and forms of work organization used to achieve production targets. The process of dissecting complex and relatively integral operations, as typically defined by the term 'occupation', was carried so far that jobs requiring minimal skills emerged in considerable numbers. The non-specific segments of the labour market in run-of-the-mill qualifications now began to expand. This phase of active labour market policy thus saw the development, consolidation and increase of structures of a 'bipolar' labour market (op. cit., p. 75) at company level which it will not be so easy to demolish.

These trends deprive the skilled labour market, at which the government's labour market policy is chiefly aimed, of some of its empirical foundations in the system of work in society. The isolation of the firm as an independent labour market geared largely to its own workforce, on the one hand, and the formation of relatively undemanding labour market segments at the level of culturally universal run-of-the-mill skills, on the other, deny the skilled labour market segment the labour it needs to function and its status as the setter of binding standards. Now at least the neoclassical labour-market theory that a structure of occupational skills is the decisive factor in the elimination of imbalances in the labour market could no longer be upheld. In terms of its actual significance, therefore, the skilled labour market simply joined the other two types of labour market, one geared to the individual firm, the other to run-of-the-mill qualifications, as a regulative arrangement.

Against this background of developments relevant to the labour market and employment, any government action taken in this area that merely encourages labour market processes structured according to occupational skills will prove to be only partly effective. Above all, it is bound to conflict with those goals of statutory employment promotion policy which neglect the occupational promotion of the 'problem groups' (the handicapped, women, older people; see section 2 of the Employment Promotion Act), who are mostly confined to the labour market in run-of-the-mill qualifications. Instead, the preferential treatment of skilled labour markets and the priority consequently given to promoting the further training, and therefore advancement, of those who are already more skilled, evidence of which can be found in the statistics on the promotion of continuing training up until 1974, results both in the neglect of measures to promote the skill-related mobility of employees in in-company labour markets and in the further deterioration of the position of the unskilled, semi-skilled and problem groups in the labour market (op. cit., pp. 128 ff.).

2.2.4 Continuing training

As the previous section has clearly shown, continuing training became an essential instrument of labour market policy during this phase. This policy abandoned the principle of protecting workers against threats to their livelihood in favour of prevention, the primary aim thus being to help workers to cope with the mobility processes brought about by changes in economic structures and to prevent the occurrence of frictional unemployment. Since then the emphasis has been on the placement of workers, observation of the labour market and training measures to adapt skills (retraining for horizontal mobility and further training for vertical mobility). At this time, the Labour Market Promotion Act in the Federal Republic, the Industrial Training Act in the United Kingdom, the 1971 Act in France and the 68 Commission in Sweden laid the foundations for government policies on continuing vocational training which still determine institutional activities today. As regards the promotion of continuing training under the German Employment Promotion Act, however, a selective approach has been adopted which, despite the political claims, tends to favour the very categories of workers who, having had a relatively sound initial training, are well placed to cope with changes in their occupations and working environment.

In the active labour market policy measures (further training, retraining, familiarization) taken from 1970 to 1975, for example, a higher priority was given to further training schemes, which are primarily designed to improve prospects of occupational advancement, than to retraining and familiarization measures aimed at eliminating qualitative and quantitative underemployment (see Table 3).

It was not until the third phase began that the emphasis in government promotion of continuing training gradually shifted from the improvement of advancement prospects to the groups hardest hit by the labour market crisis.

Table 3: Enrolment in vocational training schemes from 1970 to 1980, by type of scheme

	Further training		Retraining		Familiarization		Total	
	abs.	%	abs.	%	abs.	%	abs.	%
1970	117167	68.8	23420	13.7	29582	17.8	170166	100
1971	224879	77.9	34099	11.8	29412	10.1	288390	100
1972	212738	81.7	31901	12.2	15601	5.9	260285	100
1973	185199	81.6	31320	13.8	10313	4.5	226942	100
1974	185873	79.9	36560	15.7	10164	4.3	232597	100
1975	216407	79.9	36575	13.5	17871	6.6	270853	100
1976	117351	77.4	19061	12.6	15115	10.0	151527	100
1977	100509	74.0	20084	14.7	15369	11.3	135926	100
1978	128858	73.5	25825	14.7	20544	11.7	175227	100
1979	149766	71.5	30867	14.7	28796	13.8	209429	100
1980	176467	71.5	37927	15.4	32581	13.2	246975	100

Source: BUNDESANSTALT FÜR ARBEIT, Förderung der beruflichen Bildung, Nuremberg 1971

The development of a system of publicly financed continuing vocational training was accompanied by the emergence, particularly in large firms, of a system of in-company further training (see SASS et al., 1974), which in some respects competed with government policy but primarily served the purpose of teaching the skills which were needed for the company's own working methods and organizational forms and could not (or no longer) be taught in initial training or the continuing training provided under the government's labour market policy.

Continuing training was no longer something which workers had to arrange for themselves in their free time, as it had been during the first phase. They now had a legal right to be released from their normal duties to attend continuing training courses (educational leave, etc.), and firms encouraged their employees to participate in continuing vocational training.

This phase generally resulted in a tremendous improvement in the image of adult education as a social measure, which was reflected in a wide range of activities under the education and science policies. 'Adult education' gave way to the general concept of 'continuing training'. This led to the establishment of programmes and expansion in a fourth sector of the state education system that had not previously existed. This expansion found expression in the 'Structural Plan' of the German Education Board and various 'reports and studies' by its Education Commission (see DEUTSCHER BILDUNGSRAT, 1970; e.g. 1973, 1975a, 1975b, 1976).

Most Länder introduced legislation on adult education/ continuing training. At national level, the main aspects of continuing vocational training provided by the state are governed by the Employment Promotion Act, which does not exclude the possibility, however, of the greatest importance being attached to employers' interests and occupational mobility in the continuing training financed by the Länder. The interest of the political system in the economics and also the democratic aspects of adult education/continuing training, together with the financial and, as a result of legislation on adult education and the expansion of the universities, academic underpinning of this area, led to the institutionalization of the occupational structures of teaching adults, which had hitherto been largely a part-time and unpaid activity.

Extensive efforts were made during this period both by those conducting empirical research into social phenomena and continuing education and by the growing numbers more directly concerned with continuing training to arouse the interest of people who had so far had little to do with anything educational and to motivate them to take part in continuing training activities. The public continuing training institutions, foremost among them the adult education centres, endeavoured to change their largely middle-class image and to reflect the structure of the population. The concept of 'target group work' and also such formulas as 'modular system', 'a basic regional and curricular range of adult education' and 'certificate courses' took their place in the newly discovered reference system of the economy, employment and pedagogics, to which the change of concept from classical education to learning corresponds at the level of the formation of pedagogical and didactic theory.

2.2.5 Preventive continuing training

During this phase of active labour market policy prevention became a guiding principle of labour market policy. Continuing training was to prevent the occurrence of growth-inhibiting forms of underemployment due to inadequate qualifications, and this was to be accomplished primarily through horizontal mobility and simultaneous retraining.

At the same time, the idea of continuing training led to the assumption that anticipatory training to a higher level and consequent occupational advancement could prevent such underemployment.

The debate on educational leave that began in the second half of the 1960s can also be considered part of the conceptual perspective of preventive continuing training. The main aim, reflected in the phrase 'educational leave as motivational leave', was to develop the learning skills that lay idle in large sections of the working population and to redefine the role of adults (see SCHULENBERG, 1968) so that intentional learning became a permanent feature of life after general education and initial training. As less emphasis has been placed in the German debate on educational leave as a means of learning skills and as a form of adult education that is motivated by the economics of education, it makes a largely indirect contribution to the prevention of labour market problems and 'pays off' in the longer term: as the mobilization of intellectual skills, the modification of inflexible attitudes towards learning, efforts to analyse social and socio-economic change in its dialectic for the world in which participants in continuing training live and the experience of growing self-confidence and self-reflexiveness have didactic priority in learning during educational leave (see BRÖDEL et al., 1982, pp. 239 ff.), the importance of leave taken to participate in courses of preventive adult education geared to the labour market lies chiefly in its propaedeutic and hermeneutically orienting function.

Legislation on some aspects of educational leave was introduced in 1974/75, i.e. towards the end of the period of active labour market policy. This initiated a form of adult education which, from the second half of the 1970s onwards, was used to a quantitatively limited extent as a preventive in the sense described above (see DER KULTUS-MINISTER DES LANDES NORDRHEIN-WESTFALEN, 1982, pp. 41 ff.).

2.3 Phase III: Integrative labour market policy

The labour market policy pursued during this phase can be summed up with the words 'employment policy can no longer based on growth policy'. Doubts were cast on the validity of basic assumptions underlying previous labour market policy and particularly the argument that labour market policy can succeed if supported by constant economic growth. By now unemployment had risen to over 6% in all the European countries and was continuing to rise. Nowhere could economic growth be expected to exceed 1 to 3%, if that, and some countries experienced a decline in their gross national product. It was also found that economic growth did not necessarily mean an increase in employment (idle capacities were utilized, employers resorted to further technological rationalization, making more workers redundant, etc.). To define this period as the phase of integrative labour market policy is to say that the alignment of labour market and social policy strategies with economic policy objectives had failed and that the coordination of various policies seemed the only way to solve the problems. This need for coordination also resulted in disagreement over suitable labour market policy strategies. A problem revealed by the debate on the national labour market policy was that the persistent imbalance in the labour market constituted an above-average risk of unemployment for certain sections of the working population and that unemployment was increasingly the result of a dynamic process of selective structuring and shifts between the employed and the unemployed (adult) population in accordance with the criteria of personnel policies dictated by the individual employer's profitability calculation. The problem groups emerging from these processes (principally women, older people, the handicapped, the unskilled) gradually became the most important targets of the national labour market and continuing training policies.

In view of the changes to the reference quantities of the the labour market situation, integrative labour market policy can be described in two dimensions, which are at present to be found in almost all the countries studied, although their relative importance differs.

Firstly, government labour market policy is increasingly shifting the responsibility for the continuing training it assists or subsidizes to the employers - and so conceding, of course, that the content of such training must accord with the needs of individual firms - with a view to counteracting the tendency in the event of job-related changes for those sections of the workforce whose position in the labour market is weak to be singled out on the grounds that they do not have the necessary qualifications. In addition, practical training seems to offer the best prospects of (re)integrating the unemployed into the employment system. Apart from these important aspects of the transfer of responsibility for continuing training governed by the national labour market policy to employers (combination of the continuing vocational training provided by the public and private sectors), the integrative labour market policy as a categorial concept entails, secondly, cooperation and coordination with other policies and areas of activity. The overriding objective they have in common is to restore full employment or balance in the labour market. This perspective essentially has recourse to a growth-oriented economic and financial policy, this being the most important element, and a structured policy on jobs, which tries to halt the reduction in the number of jobs that is due to the international division of labour and technological change. This sphere of action includes methods of redistributing work, such as work-sharing or shortening the individual's working life, and also government action, which may even extend to direct intervention in firms' personnel policies (see BUNDESANSTALT FÜR ARBEIT, Überlegungen II, pp. 59 ff., 128 ff.; see ENGELEN-KEGER, 1980, pp. 186 ff.).

However, as we shall be showing, this second dimension of integrative labour market policy may be perceived and operationalized in very different ways. For the institutional framework of active labour market policy, with continuing training as its core, the integrative factor in this national policy process, which takes place at several levels and is designed to reduce unemployment, consists in the anticipation of structural change in the economy and the organization of work, with the specific aim of creating or preserving opportunities for individuals in the labour market to develop their abilities (training component). Another task for public continuing training, with an eye to an anticipated labour market, which it is hoped will be created by the effects of areas of policy that complement the active labour market policy, is the reproduction of the working capacity of the section of the working population which has been excluded from employment (socializatory and socially integrative component). The second dimension of integrative labour market policy includes the orientation of the capacity of the continuing training system, which tends to be anti- rather than pro-cyclical in relation to business and labour market trends.

In the present situation, which can be said to have begun roughly at the time of the oil crisis (1973/74), the dimensions of the analytical model assume a far more problematic structure than during the phase of active labour market policy previously discussed.

2.3.1 The economic system

The economic system is primarily characterized by falling growth rates, changing to stagnation and, in some cases, a decline in gross national product. Domestic demand is subject to major fluctuations as the cyclical situation changes, while some export markets are stagnating, chiefly as a result of tremendous changes in the international division of labour, which greatly influences the pressure on domestic markets and, in this instance, the volume of production. Increasing protection against the risk of unemployment, the relative growth of labour costs and a consequent decline in the elasticity of labour as a factor of production in the Western industrialized countries has led to an appreciable transfer of production to Third World and take-off countries. Investments in job-saving technologies and production methods have also reduced, and continue to reduce, the number of jobs in the countries studied and the rest of Europe. The introduction of microelectronics in particular will tend to result in a further and still hardly conceivable reduction and change in [illegible] structure of jobs (see FRIEDRICHS, 1981). The continuing rise in energy prices has radically changed the structure of production and the foreign trade balance of the five countries studied and, like a catalyst, is aggravating the current economic crisis.

The decline of the raw materials sector has largely come to a standstill during this phase, while the numbers employed in the secondary sector are steadily falling and, although the service sector is expanding, such factors as the restriction of government borrowing (freeze on the creation of new posts) and the large-scale introduction of new technologies, especially in office work, mean that this sector too is reaching its limits. The result is the general stagnation of the volume of employment and obviously a tendency for the labour force to become smaller. Neither is simply the outcome of too low a level of economic growth: even in expanding sectors the numbers employed are decreasing where technological rationalization has been stepped up.

Taken together, these various trends are leading to an absolute decline in the number of jobs available, which will not be offset by any other foreseeable, economically self-supporting influencing factor. Furthermore, because of the changes in firms and production methods outlined above and the underutilization of production capacities due to cyclical factors, any policy of expansion generally geared to the economic structure and the cyclical trend will face the problem of the increasing delinkage of economic growth and positive effects on employment. If it is to reduce unemployment to the level of full employment, an economic policy that is largely left to its own devices should therefore be aiming at almost two-figure growth rates for several years to come, which will in fact be impossible.

The Board of Experts for the Assessment of Overall Economic Trends summarizes the complexity of the employment dilemma during the third phase, in late 1981, early 1982, as follows, and in essence its comments are clearly applicable not only to the German situation:

> 'The real problem for employment policy is more deeply rooted. It is estimated that at present there are no jobs at all for at least one million job-seekers (paragraph 141). They have yet to be created through investment. With the working population growing and a shortage of investment in new jobs, the employment gap will widen even further. The economic policy cannot simply eliminate the more deeply rooted causes of this gap: costs that have apparently not levelled off since 1974/75, unsettled conditions for structural change and innovations, taxes, subsidies and social legislation that act as disincentives, obstacles to investment erected by the courts, authorities and civil protests. The gradual progress in the improvement of investment conditions achieved in the second half of the 1970s was not enough to prevent the further rise in oil prices from having serious consequences for employment. High interest rates have also seriously curbed investment activity. There is no sign of the change of climate that is needed if the shortage of jobs is to be overcome. Minor changes to marginal aspects of the economic policy are hardly likely to suffice. More is needed: a new beginning in the interplay among all those who have responsibility for employment' (p. 152).

2.3.2 The structure of employment

The structure of employment during this third phase is characterized by a tendency for certain sections of the labour force to succumb to - usually open - unemployment. Thus the structure of unemployment also reflects the restructuring of the segments of the labour market of which there were already signs during the second phase. Principally as a result of the intensification of production technology and the associated concentration of companies a typical split in labour market segments has emerged. There is a growing tendency for firms to gear their personnel policies to the employment of a core workforce responsible for the vital functions of the firm's organization (administration, research and development, work preparation - functions, therefore, which are mostly peripheral to the actual manufacturing and production process). Such categories of employees are employed by firms on a long-term basis, receive appropriate fringe benefits and participate in an internal system of training that is in the firm's interests. On the other hand, the functions that vary with the volume of production and mostly form part of the actual manufacturing process are performed by types of employee whose links with the firm are very tenuous since they depend on the trade cycle. These categories of employees are marginalized to the extent that they have only short-term contracts, receive few fringe benefits and are given little opportunity of participating in internal training. These marginalized employees are particularly affected by unemployment, especially where, according to the popular view at least, they have alternatives to employment in which their labour cannot be organized as a wage-earning activity: women - housework, young people - education and training, immigrant labour - their home countries, older workers - retirement schemes, handicapped workers - medical and social care systems. Structural unemployment has given rise to a core of people who are out of work for a year or more, the long-term unemployed. One of the causes of this trend is the 'screening effect' that takes place between the employed and unemployed: with a total labour force of 23 million, the Federal Republic has, at 10 million job changes per year, a high turnover rate. This also results in considerable movement between the ranks of the employed and unemployed in that, as already mentioned, the relatively most efficient of the unemployed are substituted for the relatively most inefficient of the employed. Consequently, the skill level and mental health of the unemployed are constantly declining by comparison with the employed. Under the conditions of the third phase, the skill structure of the working population is scarcely an obstacle to economic development and restructuring. Although a shortage of specific skills is encountered in certain segments of the labour market, as in the construction industry, where a shortage of skilled workers in late 1980 could not be overcome (see FRIEDRICHS/HENNIGES, 1982, p. 10), most labour market segments tend to have a surplus of skilled workers. In fact, the situation as regards the shortage of skilled workers in the second half of the 1970s seems to have been 'that most firms were obviously not looking for skilled workers to add to their existing workforce but to replace certain other categories of employee (demand for substitute workers) and/or skilled workers leaving their employment (demand for replacement workers)' (ibid., p. 6).

The conceptions of the model analytics of orthodox economics and the view they take of the labour market are proving increasingly unequal to the task of making an accurate assessment of the employment structure scenario thus forming during the third phase. In particular, the neoliberal paradigm that is widespread among schools of bourgeois economics leaves too little room for the interpretation of the problems currently connected with continuing training since it pays too little heed to the comparability of commodity markets and labour markets and their empirical and axiomatic requirements and the different logic underlying their structures (see, for example, OFFE, 1977, particularly pp. 6-21) and since it ultimately amounts to the - monofactorially implausible - construct of price determination according to which the structure and dynamism of a labour market are in the final analysis determined by wage levels and wage differences in that labour market (see ROSE, 1969, pp. 238 f.).

Rather than resort to this approach, we have based the preceding and the following description of the structure of employment and the implications of the unemployment problem for the structure of employment on a set of basic sociological arguments which have recourse to the segmentation theorem that is linked to the theory of the dual labour market and refers to categories originating from structural functions (see PARSONS, 1955) and the theory of interaction (such concepts as structuralization, alternative roles, stigmatization, marginalization). To this end, the following describes some of the more extensive deliberations that have suffused the classification and interpretation of the findings of this study (see also BRÖDEL/OLBRICH/SCHMITZ, 1981).

Segmentation can be defined as the 'degree to which the labour market is split relatively permanently into market segments which are institutionally more or less stable' (SENGENBERGER, 1978, p. 6). This definition is based on the assumption that the labour market segments have the capacity to upset the relationship between supply and demand in the labour market as a whole as a function of the factors determining the various labour market segments and patterns of the allocation of labour to jobs.

The analytical interest of this complex approach in labour market theory centres on the extent to which there is empirical evidence of the overall labour market having split into a number of separate labour market segments supported by institutional arrangements (laws, regulations, collective agreements, company agreements, the principles of firms' personnel policies, etc.), at whose periphery barriers to mobility form and impede the transferability of labour. A distinction must be made here between two types: on the one hand, the above-mentioned basic concept of the dual labour market developed for the North American economy, whereby the labour market is split into a primary and a secondary segment; on the other, the three-segment model largely developed by LUTZ/SENGENBERGER, the three segments in the Federal Republic being the in-company, the skilled and run-of-the-mill labour markets (see, for example, LUTZ/SENGENBERGER, 1980). The run-of-the-mill labour market roughly corresponds to the secondary segment of the dual concept, in which marginal members of the workforce requiring few skills are chiefly concentrated, their jobs largely dependent on the trade cycle and so at considerable risk. The primary segment can be divided into skilled and in-company labour markets. The skilled labour market segments are based on vocational training in specific occupations or branches of the economy, which is guided by generally recognized criteria (e.g. certificates) and may be required by several employers. In concept, the promotion of continuing training during the phase of active labour market policy in the Federal Republic was geared to this segment of the labour market, skill-related allocation problems as they concerned the structure of jobs and labour being regarded largely as a function of the inter-company mobility of the gainfully employed (see LUTZ/SENGENBERGER, 1974). In contrast, in-company labour market segments are characterized by the the close alignment of employees' skills with the production and work organization of a specific firm. Large companies in particular offer some of their employees 'opportunities for training and advancement and the prospect of security of employment in the long term in return for extensive loyalty and commitment to the company' (LUTZ/SENGENBERGER, 1980, p. 294). From these two segments - the skilled and in-company labour markets - companies recruit their core workers, who are kept on as long as possible when demand fluctuates and whose jobs are therefore at far less risk than those of the marginal workforce.

What qualities workers must have to gain access to and work in the various labour market segments is a question which, particularly at times of economic instability, is closely linked to opportunities for developing and reproducing patterns of identity centred on work. As our study has already shown, a role is also played in this context by processes of selective allocation, within which performance- and skill-related criteria (which can thus, in principle, be satisfied where the individual makes the effort) are just one of several areas of the individual's qualities to be considered. In the process of the distribution of opportunities in the labour market, the second criterion, the group of ascriptive features, i.e. features which ascribe status and roles (age, origin, sex, language, state of health), is particularly important. When there is a surplus of labour, such features may often make the removal or the drifting of sections of the working population into unemployment and ways of life outside the labour market appear legitimate and acceptable with the (superficial) plausibility of practical interpretative and empirical knowledge. This process cannot, however, be explained as a simple, smoothly functioning allocative link between the structure of the economy and the labour force but merely as a process of socialization which concerns all those involved, or potentially involved, in the labour market. The process of socialization is largely accomplished by means of institutional mechanisms and is broken down into various periods. With this socialization-based argument it is possible to reconstruct (in loose imitation of the socio-psychological concept of the self-fulfilling prophecy) processes designed to remove from the employment system subsections of the working population at times of high economic activity in the labour market even though there is considerable demand for them and they have proved to be efficient workers: the groups concerned are confronted in their environment with ascriptions of their undesirability and unsuitability in the employment system. As time passes, these external expectations become instilled in the individual's assessment and definition of himself and are gradually reflected in his attitudes. This in turn affects the employment system and the labour market and eventually results in the consolidation of the disadvantageous position of such groups in the labour market.

Against this backdrop of socialization theory and interaction in labour market activities, the concepts regarded by the segmentation theorists as essential to an explanation of the process whereby unemployment, structuralization and marginalization emerge and are distributed achieve greater plausibility where preventive continuing training is concerned. Thus, during the third phase described here, the increasing structuralization of those members of the working population who are within the employment system and those who are outside is interpreted as a process which is, as it were, induced by the overlapping of several groups of factors. For example, trade union strategies to gain acceptance for clauses that protect certain categories of worker against dismissal may well have the effect of strenthening the segmentation tendency in that, although the workers enjoying this special protection are in less danger of dismissal, once they do become unemployed, they have even greater difficulty finding a new job, since the rationality of employers is such that, when recruiting, they prefer less well protected categories of workers.

In view of the structure and mode of operation of various types of labour market segment, marginalization is a 'cumulative process based on positive feedback, during which the employment prospects of workers who are initially affected by negative selection in increases and reductions in personnel and internal measures to improve and develop personnel deteriorate appreciably as a result of repeated unemployment and its stigmatizing effect, through which they move further and further away from the segment of stable employment and slowly come to form a hard core of the long-term unemployed' (SENGENBERGER, 1979, p. 27).

Appendix: Empirical findings on structuralization and marginalization

Structuralization will be considered with the aid of an empirical study of the extent to which it is possible to detect differences in the composition of the gainfully employed as a whole and the unemployed as a whole with respect to those features and qualities whose nature has a decisive influence on the prospects of pursuing a continuous gainful activity governed by a contract. In other words, having regard to the labour market crisis that has now persisted since 1974, what stage has been reached in the process of classifying workers as employed and unemployed, to the extent that it must be assumed that there has been a substantial increase in the number of unemployed workers with qualities which reduce their prospects of finding employment? This question implies a definition of unemployment as a social area which different categories of worker have different prospects of leaving.

An answer to this question can be found in the sociodemographic comparison made in Table 4 of the gainfully employed and the unemployed. The two groups differ very substantially in composition.

Compared with their shares of the gainfully employable population, women are overrepresented among the unemployed by 19%, foreigners by 0.7%, persons without a vocational training certificate by 25.3%, unskilled workers by 23.1%, young people under 25 by 8.1%, the age group from 26 to 35 by 2.5% and people over 55 by 7.7%. In these calculations, as the footnote to the table points out, the annual unemployment figures computed by the Federal Employment Institution for 1979 were compared with the data collected by ALEX et al., which are representative of the gainfully employed in the Federal Republic in 1979.

These figures, as well as various other data, not all of which can be given here (see, for example, Table 4, p. 92), thus indicate structuralization of the unemployed, and their implications for employment can be described as follows. Where a surplus of labour persists in the labour market, qualities that reduce prospects increase among the unemployed and a hard core of the long-term unemployed forms. If the economic situation improves, the latter have an appreciable prospect of reintegration into the employment system only if the demand for labour among employers expands to such an extent that

Table 4: Comparison of the unemployed and gainfully employable, by socio-statistical composition

Structural features	Unemployed (n=736,690) in 1979	Structural difference in %	Employable (n=22,041,000) in 1979
Men	43.0		62.0
Women	57.0		38.0
		(+ 19.0)	
Germans	89.5		91.2
Foreigners	10.5		9.8
		(+ 0.7)	
Vocational training			
- not completed	53.3		28.0
- completed	46.7		72.0
		(+ 25.3)	
Occupational status (most recent)			
- skilled workers, foremen, master craftsmen	12.7		26.0
- non-skilled workers	46.1		23.0
- senior and executive salary-earners (incl. civil servants)	26.2		32.0
- low-grade salary-earners (incl. civil servants)	15.0		19.0
		(+ 23.1)	
Age			
- under 25	26.1	(+ 8.1)	18.0
- 26 to 35	24.5	(+ 2.5)	22.0
- 36 to 45	17.5		29.0
- 46 to 55	15.1		22.0
- over 55	16.7	(+ 7.7)	9.0

Source: Amtliche Nachrichten der Bundesanstalt für Arbeit (ANBA), 1981/2, p. 159; ALEX, L., et al., Qualifikation und Berufsverlauf, 1981, pp. 6, 11; STATISTISCHES BUNDESAMT, Statistisches Jahrbuch 1980, p. 104; own calculations

Remarks on the methods used: The term 'gainfully employable' comprises the unemployed and persons engaged in a gainful activity. If only the latter were taken for a comparison with the unemployed in terms of their social composition, the disparities in the structure of the two groups would be even more apparent.

workers are needed in addition to the applicants ahead of them in the queue of job-seekers. According to most of the well-known reports on economic and employment trends in the Federal Republic in the 1980s, however, this is unlikely to happen owing to the de-linking of economic growth from the demand for labour (see, for example, BÖCKELS, 1981, FRIEDRICHS, 1981, GERSTENBERGER, 1981). As regards the period from 1973 to 1978, a representative survey of employers conducted by INFRATEST for the Federal Minister for Employment and Social Affairs confirms the trends outlined as being on the whole empirically correct for the Federal Republic, i.e. the production process will continue with a reduced labour input, and firms are interested in having a selection procedure that will assure them of the best possible workforce. 'Since 1973 employers have reduced their personnel by about 5%. This reduction has been joined by an improvement in the qualifications of employees. Although the situation varies considerably from one firm to another, on balance the proportion of unskilled and semi-skilled workers and low-grade salary-earners has declined, while that of skilled workers and, above all, of skilled salary-earners has risen. Consequently, the lower a worker's professional qualification, the greater the risk to him of being affected by the extensive dismissals to which 33% of employers have resorted since 1974' (SÖRGEL, 1978, p. 2).

A second question, which concerns the empirical validity of the marginalization theory, is this: to what extent are certain categories expected to bear the brunt of the shortage of jobs, a problem which affects the whole of society, and to what extent does this process produce socio-structural precepts for biographical developments of a specific nature in certain sections of the gainfully employable population? While the accent has so far been placed on the structuralization of unemployment, the principal tenet of which is that the longer an unemployed person remains unemployed, the worse his prospects of finding another job, increasing interest is now being taken in indicators of the more or less involuntary removal from the labour market of persons who want to work. Repeated unemployment and changes to forms of subsistence outside the labour market (e.g. housework, early retirement) can be regarded as indicators of this kind.

The INFRATEST study referred to above proves to be a suitable source of data in this respect since, by comparing the findings of the survey of various, coordinated representative samples of the unemployed, employees and employers, it takes far greater account of the marginalization problem in the methods it uses than most other studies known to us. The conclusion to be drawn is that roughly one third of the unemployed are being pushed into forms of subsistence outside the labour market. This finding is based on observations of the unemployed from November 1977 to February 1978. 'Just under two thirds of the unemployed terminate their unemployment by finding a new (or their first) job. The others become housewives or pensioners, begin a course of training or do their national service or cease to be registered as unemployed for other reasons' (SÖRGEL, 1978, p. 55).

That such a departure from the ranks of those officially registered as unemployed is not exactly the result of a decision freely taken but must be interpreted as a reaction to an enormous shortage of jobs is also confirmed by the observation that unemployed persons who decided to retire or become housewives had, at about a year, been registered as unemployed twice as long as those who were able to terminate their unemployment by finding a job (ibid., p. 56).

As regards repeated unemployment, two basic empirical tendencies were confirmed. The INFRATEST study shows, firstly, that repeated unemployment accounts for a quantitatively significant proportion of all unemployment, and secondly, that this unstable situation affects certain categories of workers more than others.

'A quarter of the unemployed (25%) said that they had lost jobs more than once in the last five years. Particularly hard hit by repeated unemployment are:

- unemployed men who last had simple manual jobs (50%),
- unemployed young people, now between 20 and 24 (33%).

The short-term unemployed lose their jobs more frequently than the long-term unemployed. Every fourth person (27%) registered with the employment services as no longer seeking employment in October 1977 said that he was again unemployed in February 1978. The unemployment of these people was thus merely interrupted, by a short-term job, illness, training, etc. Most are likely to have found unstable employment. Compared with the 'still unemployed', this group of the 'again unemployed' includes a disproportionately large number of

- men
- persons with comparatively little experience of work
- persons who, before becoming unemployed, worked in unskilled jobs, a relatively large proportion of them as casual workers (e.g. in the building trade, transport and the post office)' (ibid., p. 70).

The extent to which marginalization among workers affected by repeated unemployment is caused by structural tendencies in the employment system can also be seen from the large proportion of all new jobs accounted for by short-term employment, at present around 41% (this was the case in 1980, according to our own calculations; source: ANBA, Jahresstatistik, 1980, p. 11) and also from the selective attitude of employers towards workers with an unstable working background. 'Employers appear to be particularly critical of those who have lost jobs on several occasions. Among the reasons the employers questioned gave for rejecting applicants were "frequent change of employment" (44%) and "too often unemployed" (20%)' (ibid.).

The INFRATEST study contains a number of other, similarly relevant findings, which, taken as a whole, provide considerable empirical support for the theory that fairly large numbers of the employed are becoming marginalized.

2.3.3 Labour market policy

Uniform labour market policy strategies which react to these changes in the structures of the economy and employment have yet to be developed. The loss of the most important parameter in economic policy in the past, economic growth, has led to general uncertainty about suitable strategies. A distinction can be made between three basic alternatives in the search for solutions.

1st alternative: Achieving full employment with the 'classical' instruments of economic policy of increasing overall demand by fiscal means (Keynesians) or by trying to strike an economic balance that is considered possible through eliquibrium of internal terms of trade (monetarists). Both strategies are based on the assumption that employment rises with the volume of production, which is doubted by critics, who refer to the advent of technological rationalization.

The monetarists want to achieve the goal of full employment by having those capable of economic action comply with the principles of the market while restricting government intervention in the free play of forces. The most important economic parameter is the cost structure of the factor labour, which, as a result of the competition among workers for scarce jobs, must lead to a reduction in the level of wages. The role played by government labour market policy is reduced to reactive and compensatory functions. The training of adults is primarily a matter for the employers or a subject of negotiation between employers and employees' representatives. The monetarist interpretation of this alternative recalls the conceptual self-image of government action during the first phase, the phase of reactive labour market policy.

In contrast, the central hypothesis of the Keynesians is that unemployment is the consequence of a limited volume of production, which stems from insufficient overall demand for goods and commodities. The principal goal of employment policy in this case is to increase macroeconomic, i.e. both private and public, demand for consumer and capital goods. The disadvantage with this type of global cyclical policy - leaving aside the problems connected with public-sector financing - is that investment promotion is not purposeful enough (problems relating to the trickle-down effects of government economic policy programmes, promotion of investments in rationalization rather than expansion). The Keynesian interpretation of this first alternative depends on the support of a structural policy, which the third alternative explicity places in the foreground.

2nd alternative: Redistribution of the existing volume of work by generally reducing worktime

This approach to labour market and employment policy is based on the view that supply and demand in the labour market can only be balanced by reducing the volume of labour. There is little hope of achieving the goal of full employment if all action is geared to economic growth. The shrinking volume of work, which is determined by wage levels and the form taken by gainful activities, can only be effectively countered by methods of redistributing the work available. The supporters of this strategy not only refer to the emergency situation in the labour market and the need to prevent a new class struggle between the employed and unemployed. Their reasoning is also based on the humanitarian argument that, as the industrial dictate regarding worktime denies most of the population the time they need to achieve self-realization, it should be revised. A general policy of reducing worktime with a view to redistributing the existing volume of work would progressively restore to man the sovereignty over his time that he has lost as the world has been rationalized. In each of the countries studied, various conceptual elements of a policy of this nature, which can be extended to the utopia of a leisure society, are under discussion, and in most cases practical results have been achieved. Methods of reducing worktime can be divided into two distinct types: on the one hand, shortening the working life of the individual (increasing the time spent in education and military service and bringing forward the age of retirement), on the other, the introduction of greater flexibility into the individual's remaining working life by giving him a changing and more variable role to play rather than the rigid and predetermined position he now occupies (e.g. work-sharing, educational leave, sabbaticals, recurrent education).

A strategy of worktime reduction motivated by labour market and employment considerations has yet to make the practical breakthrough. The first model appears to be the easiest, since the problems connected with social security, work orientation and discipline, and roles to be played in society, which are not least a subject of controvery between the two sides of industry, seem easiest to solve.

3rd alternative: Creation of new jobs in the service sector

This alternative stems from the observation that there is a sector of production which is directly integrated into the international division of labour and is thus exposed to the pressure of price competition and constant technological rationalization. Consequently, this sector of production can hardly be influenced by intervention under the employment policy and will tend to make workers redundant in future rather than take on new employees. There is also a sector which manufactures products and in particular provides services which do not compete within the international division of labour: goods and services determined by local and cultural needs and mostly produced by labour-intensive methods. This alternative assumes that in future new jobs will be created principally in this locally and culturally limited sector of the labour market.

This is therefore a dual concept, which amounts to the active reorganization of the economy and society. The permanent need for restructuring, especially in the primary sector of the economy, should have government support consisting in the purposeful promotion of research and technology and in retraining and preventive forms of continuing training. The expansion of the public service, which is confined to what remains of the second sector of the economy or almost exclusively to the service sector, has to some extent already resulted in the introduction of this third alternative. The latest stage in this development is the limit to public spending, particularly on social policy, that many European countries declare they have reached. The rate of expansion in the public sector of the labour market has therefore slowed or come to a halt, and the number of employees in this sector has been clearly reduced of late. At the same time, new forms of services have emerged in all the countries, on the model of an 'alternative economy', operating under new value systems (rejection of the profit motive) and with new production objectives in mind (environmental protection, natural foods, self-help groups in social services, etc.).

None of the countries we have studied has adopted just one of the three alternative policy approaches that depend on the reduction of unemployment and, for this, on forms of adult education related to the labour market. One of the objects of this study will be to identify these partly mixed labour market policy strategies in the various countries and the problems to which preventive continuing training gives rise as these strategies are pursued.

2.3.4 Continuing training

In the third phase continuing training faces a completely new kind of tension: the original precept of constant economic growth as a framework for training processes has gone, its place taken by an absolute shortage of jobs and unemployment to match. It must also be said that the continuing training institutions which emerged during the second phase now face new problems connected with unemployment of which they were unaware when they were established, and they have yet to develop a suitable response. In-company continuing training tends to be geared primarily to the training of the firm's core workforce, while continuing training financed by the state mainly attracts the unemployed. In some respects, the state has gone so far as to concentrate more on the financing of in-company continuing training (grants to employers to cover the cost of familiarizing workers with new jobs). At the same time, the proportion of unemployed people taking part in schemes under the Federal Republic's Employment Promotion Act, for example, has risen continuously since 1973.

For employees continuing training has steadily become less a right that is claimed (decreasing advantage taken of educational leave and further training possibilities) than a measure that is increasingly prescribed by firms or social authorities. The object of continuing training, seen subjectively, is horizontal mobility, as it was during the second phase, but to enable the individual to avoid demotion rather than, as in the past, to enable him to seize opportunities for advancement.

2.3.5 Preventive continuing training

Prevention during the third phase continues to be a question of the optimalization of the structure of qualifications (the prevention of underemployment), but is now confined to a number of occupations where there is a shortage of workers. The main aim of prevention is now to prevent unemployment among employees whose jobs are threatened by a reduction in the volume of production or by technological rationalization. For those already unemployed, the only purpose prevention can serve is to reduce the time the individual remains unemployed or to prevent him from becoming psycho-socially demoralized, which will make it impossible for him to resume work or destroy his capacity for work (see our multi-level definition of preventive continuing training under II, 5 of this part of the study).

PART II

Case reports on the countries studied

CASE REPORT ON DENMARK

1 Development of the Danish labour market

For an understanding of the basic trends in the socio-economic and labour market conditions forming the background to preventive continuing training in Denmark reference needs first to be made to the status of and the considerable importance attached to the welfare-state principles governing action related to the labour market. The government's very early intervention in a market process that was assuming crisis proportions, particularly after 1974, has created basic conditions which - ceteris paribus - will tend to be more favourable for the economic system and the labour market, influence the attitudes of employers and the labour force and so, in time, produce a new social and economic climate. So high a level of dialectic interaction between the economy, the labour market and government action makes it impossible to consider specific aspects of events in the labour market, as the analytical approach adopted in this study requires, in isolation from the interdependence that in fact exists between these events and the adjacent areas that determine and influence them. The problems and action relating to unemployment, which has now been growing for about eight years, and the strategies used to deal with unemployment should therefore be considered against the background of all the variables in the economy, the labour market, the welfare state and technology to reveal the institutional and conceptual scope for approaches to preventive continuing training and success in its application. As an initial, empirically broad reference base for this integrative and multifarious view of the problem, the main changes in the relationship between the economy, labour market and government action in the last two decades will first be described. Events in the labour market will then be considered in depth against this background.

1.1 General changes in the relationship between the economy, the labour market and government action

The period from the early summer of 1974 to the early summer of 1975 saw a steep rise in unemployment in the Danish labour market. It marked the change from an economic situation characterized by relatively full employment to a general labour market situation which has since featured a considerable imbalance between supply and demand. In the early summer of 1975 the Danish economy reached a level of unemployment below which it has not fallen since, with the sole exception of 1979, when a flourishing economy resulted in a slight drop in the numbers officially registered as unemployed. Since 1980 there has again been a constant increase in unemployment, with a steeper rise throughout 1981, when official unemployment reached the highest level ever.

As a consequence of the first energy crisis in 1973/74, the Danish economy increasingly faced a fundamentally changed scenario of economic and socio-economic action parameters, which triggered off a new phase of economic policy and government action in the labour market. While the preceding boom years - from about 1960 to 1974 - had been largely characterized by full employment (with demand for labour even exceeding supply from time to time) and monetary and financial instruments had played a central and successful role in government action to stimulate and balance economic and labour market activities, approaches under the economic and labour market policies that sought directly as well as indirectly to create jobs and distribute employment also assumed growing importance from the mid-1970s onwards. The success of a generally prosperous economy that had little difficulty in expanding from 1960 to 1974 can be largely attributed to the regulatory effects of and opportunities for the careful coordination of supply and demand in the labour market using the concepts and instruments of an active labour market policy. As the supply of labour has exceeded demand since the mid-1970s, the classic instruments of active labour market policy, essentially comprising initial and continuing training for skilled and unskilled workers and a type of retraining originally intended for the regional structural policy, have been extended and integrated into the more limited context of an employment policy option designed to be socio-economically more comprehensive. At the time of our interviews with experts in Denmark (January 1982), a number of schemes had already been introduced with varying degress of success, their common denominator being efforts to redress the balance between supply and demand in the labour market. Apart from training courses for employed and unemployed target groups, these schemes include direct action to eliminate the excess of supply over demand in the labour market and, increasingly, the creation of new economic structures combined with government-financed or subsidized employment and labour promotion projects.

However, Denmark's labour market and employment policies have not only had to contend with the cyclical and structural repercussions of a changing world economy in the 1970s and early 1980s: the balance between supply and demand in the labour market has also been persistently upset by above-average rates of growth in the numbers of newcomers to the labour market and those returning after an absence. Although top priority in government action concerned with the causes and effects of the labour market crisis is given to the problem of youth unemployment, it should be noted that the rates of growth in the labour force are due less to irregular demographic trends than to an increase in the number of women in employment. The root cause here is a change in women's attitudes towards employment, the 'generation effect', which must be put down, for example, to changes in the position occupied by women and the roles they play in advanced western industrial societies.

1.2 Trend in the supply of labour

Over the last ten years Denmark's labour force has grown almost continuously. This growth in the supply of labour is very largely due to the rise in the number of women in employment: by a total of 287,000 from 1967 to 1979. This increase is equivalent to one quarter of all women in gainful employment in 1979. Empirical evidence of this is to be found in Table 5.

Table 5 Trend in the Danish labour force, by sex and the ratio of the gainfully employed to persons of employable age[1] (in thousands)

	1973	1975	1977	1978	1979	1981[2]
Men	1,454 (80.5)	1,463 (80.3)	1,490 (81.0)	1,507 (81.4)	1,478 (79.3)	1,477
Women	992 (54.2)	1,023 (55.4)	1,089 (58.5)	1,138 (60.8)	1,149	1,165
Total	2,446 (67.3)	2,486 (67.8)	2,579 (69.7)	2,645 (71.0)	2,627 (70.0)	2,642

[1] The ratios of the gainfully employed to persons of employable age are shown in brackets.

[2] Estimated figure at the beginning of 1981

Source: MINISTRY OF LABOUR, 1980, p. 2; MINISTRY OF LABOUR, 1981, p. 15

The Danish employment authorities believe that the expansion of the supply of labour in the 1970s and especially from the mid-1980s can be largely ascribed to the greater willingness of women to go out to work (see MINISTRY OF LABOUR, 1981, pp. 16, 20). The increasing number of women in gainful employment differ from their male counterparts in the Danish labour market in two specific ways. Firstly, just under 40% of all women work part-time, while the number of men in part-time employment is insignificant (see MINISTRY OF LABOUR, 1981, p. 19). Secondly, the growing number of gainfully employed women is concentrated in specific areas of activity and sectors of the economy, particularly the tertiary and public sectors. However, the concentration of the supply of female labour in this one branch of the economy is bound to cause serious problems and lead to extensive unemployment if - as is at present the case in Denmark - the public sector quite suddenly ceases to be a major and expanding employer of female labour.

Compared with the growing importance of the gainful employment of women, demographic effects, whereby the expansion of the supply of labour is attributed to fluctuations or 'excessive' growth rates in the numbers leaving the education system and entering the labour market, play a subordinate role. This is confirmed by a breakdown of the gainfully employable population showing the demographic structure and process of change (see Table 6).

Table 6 Trend in the supply of labour in Denmark by age groups (in thousands)

	1972	1975	1978	1979	1981[1]
Young people (aged 15-24)	475	446	468	463	467
Adults (aged 25-29)	1,729	1,808	1,943	1,976	1,997
Older people (aged 60-74)	220	232	234	188	178
Total	2,424	2,486	2,645	2,627	2,642

[1] The 1981 figures are based on estimates.

Source: op. cit., p. 15

This even shows that the 15-24 age group of the gainfully employable population has been decreasing in size, with certain fluctuations, since 1972. On the other hand, the sharp and, since 1972, continuous rise in the middle age bracket can be seen as evidence of the growing role played by women in the Danish labour market, not the least important factor being the return of women to employment after a break for family reasons. Another striking change in the demographic breakdown of the supply of labour revealed by Table 6 is the sharp drop in the oldest age bracket since 1978. This change of attitude towards employment among persons approaching retirement age can be largely attributed to the stimulating effect and the acceptance of the 'early retirement programme' introduced at this time. This campaign to ease the situation in the labour market, which has the support of both the government and the two sides of industry, is designed to persuade the employed and self-employed to agree to early retirement and so reduce the size of the labour force. The programme, which will not be discussed in detail here (see MINISTRY OF LABOUR, 1981, pp. 16 ff.), can be regarded as extremely successful, according to the Danish employment authorities. Some 65,000 Danes have now taken advantage of the programme, as against the 30,000 for whom provision was made.

Although the prerequisites for preventive continuing training and its chances of success in the context of a labour market situation where the problems are becoming more acute indicate the importance of a description of the supply side of the labour market in terms of educational background, vocational training and the structural features of occupational qualifications, we were unable during this preliminary study to gain an adequate insight into relevant statistical material. No account can therefore be taken of this aspect of the matter here.

Foreign workers, a labour market factor of major importance in the Netherlands and the Federal Republic of Germany in particular, play an insignificant role in Denmark, accounting for well below 2% of the labour force.

The extent to which Denmark's labour market is affected by unemployment has been generally outlined in section 1.1, where it was pointed out that the Danish economy has had to contend with major cyclical and structural problems since the first energy crisis in 1973/74, with the result that the expanding supply of labour has not been offset by a similarly expanding demand for labour among employers. The gap between supply and demand is widening. The balance that largely existed in the labour market in the 1960s and early 1970s is becoming increasingly remote.

In 1975 and 1976 about 125,000 people were out of work. In the following two years the figure then rose to around 190,000. The only appreciable drop in unemployment since that time occurred in 1979, an economically favourable year (see Table 7).

Table 7 Average numbers registered as unemployed, from 1978 to 1980

Year	absolute (in thousands)	%
1978	190.6	7.3
1979	161.8	6.1
1980	183.835	6.9

Source: MINISTRY OF LABOUR, 1981, pp. 27 ff.

Since the end of the first quarter of 1980 unemployment has again risen very sharply to reach an unprecedented level. This has prompted Danish labour market experts, looking back to the tremendous increase in unemployment in the twelve months from the spring of 1974 to the spring of 1975, to refer to a second wave of unemployment. In the period from late 1979/early 1980 until early 1981 alone unemployment rose by 100,000 (MINISTRY OF LABOUR, 1981, p. 28). The average time workers remained unemployed also increased, as did the number of long-term unemployed (op. cit., p. 32). The changing nature of unemployment is also apparent from the growing proportion of skilled workers among the jobless.

The latest figure for registered unemployment that can be quoted here is that for October 1981, when 246,100 people were out of work and the unemployment ratio rose to 9.4% (seasonally adjusted) from 9.1% the previous month. The equivalent seasonally adjusted figures for 1980 had been 7.6% (October) and 7.3% (September).

Table 8 gives a breakdown of unemployment by sex and demographic features as a percentage of the gainfully employable population.

Table 8 Structure of Danish unemployment by sex and demographic features in October 1981

Features	The unemployed as a percentage of the gainfully employable population
Sex	
Men	8.6
Women	10.0
Age	
under 25	15.3
25 to 54	8.3
55 and older	6.1
Total unemployment ratio (not seasonally adjusted)	9.2

Source: NYT FRA DANMARKS STATISTIK, October 1981, No. 213 (11 December 1981)

This confirms that unemployment is unevenly distributed among the various categories of the gainfully employable. It is highest or above the average among young people and women. The strikingly small proportion of the oldest members of the labour force (55 and older) among the unemployed is due to two factors. On the one hand, the early retirement programme, which has already been discussed, has proved a success in labour market policy terms; on the other, the below-average rate of unemployment among older people, 6.1%, can be put down to the special protection against dismissal which company and collective agreements or the law afford to many older employees after a given period of service. Even leaving aside the positive effects of company and government social policies, however, the older members of the working population are not exposed to an above-average risk of unemployment or to major reintegration problems where they have left, or have had to leave, the protection of employment with a company and become unemployed.

As regards the slightly above-average rate of unemployment among women, 10.0%, shown in Table 8, it should be added that, where unemployment rises again after a fairly long period at a low level, unemployment among women initially falls in relative - but by no means absolute - terms since those joining the ranks of the unemployed tend to belong to categories of employees which have been affected less by unemployment in the past. The statistics kept by the employment authorities reveal that, while fewer women are gainfully employed than men, they have accounted for a growing proportion of total registered unemployment since 1973, reaching 52% in 1979 despite a slight reduction in the unemployment figure due to an increase in recruitment as the economic climate improved. From this it is clear, therefore, that the selective approach adopted by employers in their personnel policies results in women being reintegrated into the employment system less quickly when the trade cycle improves and that women are consequently overrepresented among the long-term unemployed.

These interpretations of the unequal distribution of the risk of long-term unemployment between the sexes are also supported by the statistics on registered unemployment by sex from 1975 to 1980.

Table 9 Trend in unemployment by sex from 1975 to 1980

Year	Unemployed men	Unemployed women	Total unemployed[1]
1975	83,926	39,707	123,633
1976	79,536	46,575	126,111
1977	91,280	71,543	162,823
1978	103,332	84,137	187,469
1979	77,132	84,708	161,841
1980	93,999	89,830	183,835

[1] Certain discrepancies in the unemployment figures shown in various tables are due to changes in methods of collecting and calculating data on unemployment for Denmark's official labour market statistics.

Source: Documents provided by staff of the Statistics Department of the Danish Ministry of Labour

The question is how accurately these retrospective analyses and explanations reflect the present trend in unemployment. The nature of the growth and distribution of unemployment may have changed. There appear to be vague signs of such change, which can be summarized as follows: while the weak groups in the labour market faced an above-average risk of unemployment in the 1970s, the core groups in the labour market, consisting of men rather than women, are now increasingly under threat.

1.3 Trend in the demand for labour

For the Danish economy the labour market crisis that began in 1974 signalled not only cyclical but also a number of structural processes of change, originating in some respects from the previous period of economic growth. During the boom years, however, it had proved possible to disguise most of these changes. But they were now joined by externally stimulated long-term changes which were triggered off in the world markets and, taken as a whole, resulted in a decline in the market power of the western industrialized countries. Reference must be made here to various combinations of factors whose interaction led to quantitative realignments on the demand side of the labour market.

It was not only the sudden increase in energy costs, which caused product prices to rise and bottlenecks to occur in the markets, but also high labour costs that made sections of the Danish economy less competitive than their rivals in other and especially low-wage countries. This change in the trend was reflected in rising imports, the deterioriation of the Danish balance of payments, instability of domestic demand and declining growth rates in corporate investment. The effect these macroeconomic factors had on employment and the labour market was aggravated by employers' efforts to improve their cost structure, particularly through the introducion of technologies which appeared to make good economic sense and often led to a reduction of jobs. It cannot be denied, however, that such innovations had some positive effect on the domestic economy where they helped to increase the export of goods and so to relieve the cyclical burden on the Danish economy.

Against this background, there are various indicators of restructuring processes in certain sectors of the economy leading to changes in labour market and employment parameters. Thus even the rise in intersectoral job mobility during the second half of the 1970s was a sign of progressive or urgently needed processes of change in the Danish economy. For example, there were 454,000 movements from one sector of the economy to another (including redundancies and people leaving the labour market) in 1979 compared with 408,000 in 1978 (MINISTRY OF LABOUR, 1981, pp. 33 f.). Such changes are to be deduced from the trend in employment by sectors of the economy from 1975 to 1979 (see Table 9). This reveals a shift in the importance of the various sectors of the economy as employers, with the primary sectory giving way to the secondary and above all the tertiary sector.

Table 9 Trend in employment by sectors of the economy from 1975 to 1979 (in thousands)

	1975	1977	1978	1979
Primary sector[1]	227	218	215	207
Secondary sector[2]	774	779	798	975
Tertiary sector[3]	1,340	1,421	1,462	1,493
Sector unknown	24	30	33	34
Total employment	2,365	2,448	2,508	2,529

[1] including agriculture, forestry and fisheries

[2] including the manufacturing and construction industries

[3] including trade, transport, administration and professional services

Source: MINISTRY OF LABOUR, 1981, p. 24

In addition, the balance of the changes of status occurring in the labour market in the same period reflect the accelerated process of economic and socio-structural change (see Table 10). Thus the number of self-employed persons fell. To a large extent this was undoubtedly due to the numbers leaving agriculture, the classic example being the farmer who becomes a full-time industrial worker and tries to cushion the shock of joining the proletariat by remaining a part-time farmer.

Table 10 Gainful employment from 1975 to 1979 by labour market status (in thousands)

	1975	1977	1978	1979
Employed	1,933	2,025	2,089	2,126
Self-employed	432	423	419	403
Total	2,365	2,448	2,598	2,529

Note: The figures for employed persons also include all unemployed persons.

Discrepancies between comparable figures in the tables are due to the use of different data in the various Ministry of Labour sources from which the figures are derived.

Source: Ministry of Labour, 1981, p. 24

In the second half of the 1970s the changes which led to a reduction in employment in the primary sector and the fluctuations in employment in the secondary sector - and particularly the branches which are sensitive to cyclical change, i.e. manufacturing, construction and car production - were to some extent offset by the continuous expansion of the tertiary sector. This enabled unemployment to be kept under better control than in the early 1980s, when the main growth areas of the previously fast-expanding public service sector, education and social services, ceased to be additional employers. In the early 1980s the numbers employed in the public sector stagnated not least because of the major restrictions imposed on public budgets as the economy again became unstable, with the volume of production falling by 1% from 1979 to 1980/81.

1.4 Summary

For the Danish economy too, the first oil and energy crisis in 1973/74 brought an end to the period of prosperity and constant economic growth that had begun in the early 1960s. The repercussions for the labour market of both cyclical changes and changes in the structure of the economy took the form of a drift away from the situation of full employment that had previously obtained for a long period. The balance in Denmark's labour market has been upset since 1974/75. Up until the time of our investigations (January 1982) the supply of labour had, with some fluctuations, exceeded demand.

The welfare state, which took action quite early to maintain full employment, has the task of alleviating the effects not only of the accelerating and now increasingly complex processes of economic restructuring - accompanied, among other things, by the introduction of job-saving technologies - but also of above-average rates of growth in newcomers and people returning to the labour market. Even though the supply of labour exceeds demand, Denmark's labour market policy faces the seemingly paradoxical situation of being unable to fill a fairly large number of vacancies (see MINISTRY OF LABOUR, 1981, p. 37). The coincidence of unemployment and a shortage of labour is an indication of the problem of matching fluid supply and demand profiles in the labour market. Apart from difficulties relating to the geographical mobilization of labour, this points to the need for and primary task of an active labour maket policy geared to vocational training, at a time when the socio-economic conditions differ in quality from those obtaining when the concept and instruments of active labour market policy first emerged.

As will be shown below, it is also clear, however, particularly in the context of a second wave of unemployment beginning in 1980, that the instruments so far used to take action in the labour market are no longer enough to satisfy the demand for a preventive labour market and continuing training policy.

2. The political and institutional framework for action, the focal points of Danish labour market policy and the role played by continuing training

The basic network of legislative and institutional structures of the Danish government's present labour market and continuing training policies was created at the time of full employment in the 1960s and early 1970s. It was institutionalized as a multi-stage system extending to local level and broken down into branch structures or sectors of the economy. During this period continuing vocational training became a key factor in a model of active labour market policy, which was reflected in economic, financial and monetary policies that stimulated an expanding economy and resulted in companies having sufficient demand for labour to ensure full employment. During this flourishing phase of economic development the emerging system of continuing vocational training increasingly assumed the task of coordination in the regulation of supply and demand in the labour market under the government's social and economic policies. In this process, the labour market policy was focused very largely on the supply side of the labour market. The main object was to use continuing training facilities to anticipate the economic system's demand for labour and changes in this demand and so permit employers' job structures and the structure of workers' qualifications to be matched without major friction. This policy was validated and its practical implementation facilitated by the cooperative approach and participation of the two sides of industry at the various levels of action relating to the labour market and continuing training. As this policy was on the very whole very successful under the socio-economic conditions that prevailed from 1960 to 1974, this period can be regarded as the heyday of the active labour market policy, especially when compared with the present situation.

According to the experts we interviewed in Denmark, the general acceptance of the government's labour market and continuing training policies was largely due, from a material point of view, to the fact that the trade unions and employers' representatives were to some extent able to safeguard the interests of their members in the design and substance of the measures taken. For the employers this meant generally refraining from developing an in-company continuing training system geared to their own specific needs, unlike the situation in the Federal Republic, for example. As far as we were able to establish, only a few large firms in Denmark today provide in-company continuing training. For their part, the trade unions successfully safeguarded their members' interest in social security and protection against the risks inherent in illness, unemployment and old age and in an improvement in their 'quality of life' against the background of a social democratic, etatist approach that dominated much of Danish policy. The labour market, social and continuing training policies were also linked to a corresponding welfare-statist concept of action, as can be seen, for example, from the priority given within overall national policy to full employment and the influence actively brought to bear to improve the working and living conditions of the Danish people (e.g. programmes for the humanization of working life, the 1978 Equal Treatment Act, which gives women equal opportunities in the labour market and employment, and the 1976 Equal Pay Act, which prohibits dicrimination against women where wages are concerned).

The main features of the active labour market and training policy approach initiated by the government and sanctioned by the two sides of industry are two institutionalized forms of initial and continuing vocational training, which were introduced in the 1960s specifically for the adult working population and progressively extended thereafter. They are the 1960 'training scheme for semi-skilled workers' and the 1965 'training scheme for the continued training of skilled workers'. Both forms of training, which differ chiefly with regard to the participants' previous training and the level at which they are employed, take account of the interests of the economic system by providing for regionalization, sectoral differentiation and the participation of the two sides of industry (and, in some cases, of representatives of the local authorities) in a system of works councils.

During the period of active labour market policy, these two types of continuing training were joined (in 1969) by another form of training for adults, retraining. For a long time, however, retraining played an insignificant part in terms of the number of participants, since it was initially designed as an instrument to be used specifically to bring industry to underdeveloped rural areas, the primary aim being to prepare agricultural workers intellectually for industrial jobs and to familiarize them with work in industry.

When the period of full employment came to an end in 1974, the active labour market policy and the various types of training measures on which it centred proved increasingly incapable of maintaining a balance between supply and demand in the labour market. It became clear that the instruments of active labour market policy are designed for an economy which requires a growing rather than a dwindling supply of labour. The leading figures in the government and the economy and among political opinion-formers began to realize that, at best, a surplus of labour can be reduced only to the extent that vacancies exist for which workers can, if necessary, be trained. As the resources of conventional economic policy were also proving ineffectual in efforts to restore full employment after the shock of the first rise in oil prices, the need for a policy geared to the new problems in the labour market and allowing for more variation grew, a comprehensive employment policy which would harmonize action in the most important policy areas in accordance with employment and labour market criteria. This particularly concerned the policy on public spending and specifically the social policy, where a number of measures prompted by the desire to remove workers from the labour market were considered and taken.

Even in the 1970s the Danish labour policy differed from the classical instruments of active labour market policy, being more expansive in three respects. Firstly, the policy governing the supply side of the labour market included a strategy for getting the unemployed back to work and a strategy for removing workers from the labour market or reducing the supply of labour. The familiar function and domain of active labour market policy - integrating human labour and guiding it into sectors of the economy and employment where there is demand, using the resources of occupational mobility - was now complemented by 'special programmes'. These continuing training schemes were designed not only for the usual types of participant - the unskilled, semi-skilled and skilled - in the employed population but also for new target groups, marginalized categories of worker, i.e. mainly the long-term unemployed and women job-seekers. Such measures also included retraining, which ceased to be regarded solely as a regional and industrialization policy instrument and underwent corresponding conceptual expansion. The various preventive continuing vocational training measures discussed in section 3 below focused on this area of labour market policy action.

Under the policy aimed at the supply side of the labour market, the strategy of removing workers from this market, an objective that was added later, was designed to reduce the labour force potentially available to the economy as a whole or the volume of labour bound by contracts of employment. The primary and most successful labour market policy measure taken to this end was the above-mentioned 'early retirement programme'. Mention should also be made of social measures prompted by employment policy objectives, such as legislation increasing maternity leave and employees' leave entitlement. These various measures were expected to comply with the strategy of removing labour from the market by creating demand for new or replacement workers and thus helping to reduce unemployment.

The second major focal point of the labour market policy consisted in the expansion of the repertoire of instruments relating to the demand side of the labour market and designed to have a corrective and job-creating effect. The measures taken here were government-assisted employment projects, job-creating schemes and labour cost subsidies paid to employers. The target groups were usually workers exposed to an above-average risk of unemployment and particularly the long-term unemployed. However, as in all the countries studied where similar instruments are used, if this aspect of the labour market policy is to remain successful in the longer term, the additional demand for labour must not be confined to the schemes introduced: it must be extended to the economic system, which must eventually take responsibility for it.

A (first) employment plan adopted by the Danish government for the period from 1977 to 1980 proved to have a stimulating effect on the first two focal areas of action under Denmark's labour market and employment policies described above. It provided the financial resources needed for a coordinated approach incorporating various packages of measures, the main aim being to reduce youth unemployment. However, it also had the effect of encouraging the progressive expansion of continuing training schemes for the categories of the adult working population hardest hit by the labour market crisis.

As the third and most recent option open to action relating to the labour market, the government is paying increasing attention in its policy to a form of promotion of the economy to boost employment which goes beyond the consolidation and expansion of present market and demand structures. According to the experts we interviewed at the Danish Ministry of Labour, such measures will form a major area of government policy in Denmark in the 1980s, one of the main arguments being as follows: if demand for labour sustained by the economic process itself is to be created to help restore full employment and if it is to continue in the long term, the development of a forward-looking economic structure must be stepped up in two respects, which tend to be complementary. On the one hand, there must be selective promotion of production and employment in the export industries and those sectors of the economy which have to compete with imported goods in the domestic market. To this end, government policy must intervene in the economy and market with corrective and promotional action where structural change is anticipated in the world market in the next few years and decades. The primary objective is the stabilization and maintenance of the competitiveness of the externally oriented sectors of the Danish economy in the world market.

As it will hardly be possible to prevent the introduction of labour-saving production processes in these of all sectors of the economy, however, a second branch of the economy largely confined to the domestic market must be created or expanded with the primary aim of increasing employment. The object here must be to tackle problems and tasks which are regarded as urgent in general social terms but may well involve considerable viability risks when measured against strictly commercial evaluation and rationality criteria. Action could be taken in such neglected fields as energy conservation, the development of alternative energies, urban renewal, the social sector and the expansion of public transport. Decentralized approaches and problem structures relating to specifically local needs and politically best evaluated at local level will dominate in these areas of action.

Within this third focal area of the labour market policy, continuing training has two challenges to meet. Firstly, the working capacity of redundant workers must be maintained. The government's labour market policy intends to ensure that this is done until the economic system creates sufficient demand in the labour market to reduce unemployment (see MINISTRY OF LABUR, 1981, p. 50). To conserve the individual's motivation to work and prevent the obsolescence of the basic qualifications he needs if he is to change jobs, continuing training is expected to perform a socialization function which, at times of full employment, was performed by the mechanisms of on-the-job socialization through the effects inherent in productive work and job-related, functional behaviour. Secondly, with a view to restoring a forward-looking economic structure, continuing training must meet the challenge of preparing both redundant members of the labour force and workers integrated in the area of on-the-job socialization to meet the qualification requirements of the future labour market in a changing economic structure.

So far the most valid and comprehensively documented example of this third employment policy option, one which also takes account of the change in social values, has been the (second) employment plan, which the Danish government originaly intended to cover the period from 1981 to 1983 (see MINISTRY OF LABOUR, 1981, pp. 53 ff.). However, this plan had not yet entered into force at the time of our investigations in Denmark (January 1982). The programme it contains provides for the various measures to promote the economy which we have outlined above to be joined by a job-creating strategy backed by legislation. Within this framework of change to the economy and work stimulated by planning, continuing training and vocational training programmes were to perform the crucial task of providing the qualifications required in an innovatory economy.

3. Continuing vocational training schemes with particular reference to their preventive effect

Following the above outline of the economic and social problems and the action taken in the labour market to tackle them, in which the possible benchmarks and datum points of preventive continuing training have, as it were, been defined, the study now turns to the main continuing vocational training schemes. What form do the above-mentioned instruments and those emerging during the period of active labour market policy take? What changes did they undergo with the labour market crisis that began in 1974/75, and what state of development have they reached? What is the nature of the new continuing vocational training and retraining instruments which have been added to the repertoire of labour market policy action since the second half of the 1970s?

As the preventive effect of the various schemes is of primary interest in this study and in view of the data available to us, we shall apply the following criteria since they promise to be particularly informative in this respect: orientation towards target groups, the numbers taking advantage of continuing vocational training programmes as an alternative to unemployment, and the answer to the empirical question: to what extent do continuing vocational training schemes aim at preventing redundancies due to the absence of qualifications and at reintegrating those already unemployed into the employment system?

3.1 Training scheme for semi-skilled workers

This institutionalized form of initial and further vocational training is the oldest branch of the state system of continuing vocational training in Denmark. It is the most systematically developed range of continuing training designed to meet the vocational needs of adults and is pricipally intended for unskilled and semi-skilled workers. Its legislative basis is the 1960 Vocational Training Act. The training scheme for semi-skilled workers was integrated with the other branches of continuing vocational training and retraining with the amendment of the Act of 2 June 1971.

A total of 22 training centres throughout the country are available for the scheme. Five of these centres are state-run and financed entirely from the national budget. The others are self-governing and have 85% of their costs paid from government resources, the remainder being borne by the organizations representing the two sides of industry and by the local authorities.

The central decision-making and administrative body is the training board, on which the government and the two sides of industry are equally represented. The central training board sets up branch committees (with the same equal representation) to appraise the structure and contents of the training curricula for the various courses and to improve or update them continually. The training boards perform managerial and coordinating functions for the training centres. At present there are 23 branch committees, overseeing more than 400 different courses.

Each branch has its own set of training courses, which are modular in their curricular and formal structure. The courses last an average of three weeks, although there are also one-day courses and courses lasting up to ten weeks. The modular system enables participants to make up their own curricula for a longer, coherent period of continuing training. Some 15% of continuing training courses forming part of the scheme for semi-skilled workers take place oustide the training centres, i.e. in firms. This figure relates to 1977/78.

Since its inception in 1960, this sector of the continuing vocational training system has been expanding at an average rate of about 10% a year. This expansion has also continued without a check since the 1974/75 labour market crisis. In the 1977/78 training year, for example, 4,800 courses, equivalent to 12,300 course-weeks, were held under this scheme. The range of continuing training courses described here proved most popular among unskilled and semi-skilled workers in the metal industry.

All these data on participation in the training scheme for semi-skilled workers were obtained from government sources.

As regards the preventive aspect of continuing training, it should be noted that, since the advent of high unemployment in the mid-1970s, the proportion of less well qualified unemployed workers attending the courses has increased substantially. The Ministry of Labour refers in this context to the following trend: during the first half of the 1970s about 30% of participants beginning a course of continuing training were unemployed. The figure was increased to 36% in the second half of the 1970s. The not insignificant expansion of the training scheme for semi-skilled workers from 94,000 participant-weeks in 1972/73 to an estimated 204,000 participant-weeks in 1981 (see MINISTRY OF LABOUR, 1981, pp. 62 f.) is a further positive factor. This branch of Denmark's continuing vocational training system is thus by far the most important in terms of numbers participating. As regards its success in attracting unemployed workers, it takes second place to the introductory work experience courses for young people, participation in which is estimated at 95,000 participant-weeks in 1981.

In the assistance granted to this branch of continuing training increasing attention has also been paid to in-company training during the labour market crisis. A figure of about 15% has been mentioned above, a large proportion undoubtedly consisting of job-related training and familiarization activities. From the point of view of the concept of labour market policy, this indicates a reorientation or at least a shift in emphasis, as the training scheme for semi-skilled workers, which at times of full employment was almost exclusively concerned with the supply side of the labour market, is increasingly joined by elements of demand-related action, i.e. primarily through the virtual subsidization of employers' wage costs.

The available labour market and continuing training statistics do not reveal exactly how much more successful those who have attended the various continuing training courses are in finding new jobs than comparable unemployed workers who have not. Where it was possible to discuss this question in greater depth with the experts interviewed, considerable scepticism was expressed. It was pointed out that re-employment following the completion of a course was frequently of fairly short duration.

3.2 Training scheme for the continued training of skilled workers

The courses offered in this branch of the continuing vocational training system are open to all categories of employees in over 30 sectors of the economy provided that they have completed their initial vocational training. The target group includes both skilled blue-collar workers and white-collar workers. In content, the courses are intended to follow on from initial training. Theoretical knowledge and practical skills are taught.

This scheme differs from the training scheme for semi-skilled workers in that a network of training centres has not been established specifically for the purpose. The courses, again modular and interrelated, are held at various places of learning, e.g. at technical and commercial colleges which are also involved in the training of apprentices. In addition, a considerable number of courses is held at the training centres taking part in the training scheme for semi-skilled workers. Some courses are also held in companies.

The structure of co-determination, financing and administration in this branch of the state continuing training system is similar to that described above. Employers and trade unions therefore have a considerable say in the training provided. Particular reference must be made here to the initiative they can take to introduce new courses. The influence of the local authorities has so far been limited by the absence of a network of training centres specifically for this scheme. They and the employment authorities are, however, endeavouring to institutionalize their influence and to extend the control exercised under the labour market policy to include these courses. The local labour market boards represent a suitable forum for this purpose.

The number of participants in this branch of the state continuing training system in Denmark has also grown constantly since its institutionalization in 1965. From 1972/73 to 1981 attendance rose from 22,000 to 76,000 participant-weeks. In the same period the proportion of unemployed workers among those begining a continuing training course increased from 12% to about 30% (see MINISTRY OF LABOUR, 1981, pp. 62 f.). It is thus clear that this branch of the system of continuing training related to working life is also geared to tackling the problems facing the economy and the labour market, which have been undergoing fundamental change since 1974.

Unlike the branch of continuing training previously described, however, it can be seen that the principal target groups in this case largely consist of vocationally qualified workers. They are mostly members of the permanent workforce of companies and are thus less seriously affected by the labour market crisis, or at least this tended to be so in the 1970s. The plan referred to above to involve the local authorities in the decision-making and implementation process relating to the training scheme for the continuing training of skilled workers is, however, particularly interesting in the context of our study since it is an indication of efforts to update and optimize such training with a view to preventing unemployment: if in the establishment of a forward-looking economic structure greater importance is attached to assistance and growth to meet specifically local and regional needs, as is consistently shown by the third option open to Denmark's labour market and employment policies (see section 2 above), this strategy for the anticipatory stimulation of job and qualification structures must also permit a flexible approach in the matching of the contents of courses and the times at which they are held. This is most suitably ensured through bodies which disseminate information and take action at local level since they are closest to the target groups and to events as they happen. The extension of decision-making and implementing authority under the labour market and training policies to a decentralized, regional level also seems most likely to overcome the 'paradoxical' situation (see the comments in section 1.4) in which there is both unemployment and a shortage of workers in the newly emerging segments of the labour market.

3.3 Special programmes

Special programmes are intended to complement the instruments of active labour market policy in the areas of initial and continuing training. They can be regarded as the institutional response to the employment problems arising after the economic decline in 1974 for which the vocational training measures described above have proved inadequate. The Danish government sees them as a flexible approach to the changing manifestations of the labour market and employment crisis. Unlike the continuing training provided under the two schemes for semi-skilled and skilled workers, they are therefore less rigid in their institutional organization, contents and conception and allow greater freedom as regards implemention. On the whole, they are highly experimental and also limited in duration in many cases.

The target groups of the special programmes are the long-term unemployed and the marginalized and problem categories of workers, that section of the labour force, therefore, for which the labour market crisis has had particularly serious consequences. Within this range of programmes, a high priority is given to measures to combat youth unemployment, which we need not discuss here.

The following considers three especially interesting major schemes to see what preventive effect they have.

3.3.1 Retraining

Of all the training measures taken under the labour market policy, retraining is quantitatively the least significant. In 1980, for example, assistance was provided for only 2,000 participant-weeks of retraining. It is estimated that the figure in 1981 was 7,000 participant-weeks (MINISTRY OF LABOUR, 1981, p. 63) and, although this is still low, it does confirm a growing interest in retraining as an instrument of labour market policy.

It was not until 1977/78 that retraining measures were included in the repertoire of programmes designed to combat the general labour market crisis. Previously retraining courses had been systematically held only as part of a policy primarily designed to bring industry to regions of Denmark which were industrially underdeveloped or unduly dependent on certain economic activities (1969 to 1977). The transformation of what was originally an instrument of regional structural policy into one geared to the occupational stabilization and reintegration of those threatened and affected by the labour market crisis began with the introduction of the Danish government's first employment plan in 1977/78. This date marks both an extension of the policy instruments and a major turning-point in the concept and practice of retraining. A second modification and further development took place in 1981.

Even the original version of the retraining legislation was governed by a principle which distinguished this type of measure, in respect of its intended preventive effect, from all the other forms of continuing training related to the labour market we have discussed, and this principle remains valid today. This concerns the efforts made to achieve a close association of the vocational training process, job creation, job preservation or employment after training to suit the former trainee's qualifications. The attempt is made to achieve this objective by adopting a twin-track approach in the organization and didactic aspects of training. The retraining process comprises a theoretical and a practical training component, the in-company, job-related learning and familiarization component being regarded not as an appendix to the learning of theory but as a major ingredient of retraining. Although there is no fixed pattern of training or assistance in this respect, the following empirical values can be quoted. A retraining course lasts on average between 9 and 16 weeks. It includes a theoretical component of 6 to 10 weeks and a practical component of 3 to 6 weeks. The courses are entirely or very largely financed by the state. Like the vast majority of participants in the other continuing vocational training schemes, trainees receive a maintenance allowance or a contribution towards wages that varies with the difficulty and length of the job-related familiarization phase.

The shift away from regional structural policy and the conversion of retraining into a policy instrument for the whole of the Danish labour market in 1977 was accompanied by the introduction of three major requirements relating to the granting of assistance and admission to retraining courses.

- Participants in retraining courses must be engaged in or dependent on a process of occupational rehabilitation. In practice, this means that they must be either already unemployed or threatened with unemployment. This also applies to self-employed persons who have given up or intend to give up their business or present livelihood.

- The retraining must have a positive effect on jobs in the company which provides the retraining. Specifically, this may mean that the firm is developing or that it is making extensive changes to its production and work processes, resulting in an increase in its workforce.

- Finally, at the discretion of the employment authorities, in-company retraining courses may qualify for funds and assistance even if the retraining is not related to an increase in the workforce. Two conditions must be satisfied in such cases: the participants in the retraining must be threatened with redundancy, which can be averted if they are suitably trained, and the employer must have drawn up an appropriate training plan.

While the first two of the above-mentioned requirements date back to the time when retraining was an instrument used under the regional and industrial development policies and have applied since 1969, the last set of criteria was not added until the concept of retraining was changed in 1977. This trend and the abandonment of the regional limitation clearly reveal the greater emphasis placed on the preventive aspect in the practice of granting assistance to retraining schemes. However, the changes in socio-economic conditions, working conditions and the ways in which employers used human labour, which accelerated the employment crisis, and the need for action under the labour market policy which was inferred from these factors and had to be reinterpreted at each stage, should also be recalled when any evaluation is made of preventive continuing training. While the success of retraining schemes was measured in terms of their contribution to the harmonization of regionally disparate job structures under the conditions of a generally flourishing and expanding economy in the late 1960s and early 1970s and a preventive slant was primarily discernible in the desire to eliminate unemployment and job insecurity due to monostructures, the changing macroeconomic action parameters in the labour market crisis that began in 1974 called into question the conditions which had previously governed the introduction of retraining and called for a reassessment of its application for preventive purposes. It is no longer possible to make state subsidization of company restructuring through retraining conditional on a net increase in jobs. There are a number of factors which have an unfavourable effect on employment, such as the large proportion of company costs spent on labour and the new opportunities for changing technology and the organization of work, which coincide in companies and on the whole appear to detract from the preventive effect of action taken under the labour market policy.

Under the influence of a new wave of unemployment starting in 1980, which we have described in greater detail in section 1.2, the pressure on Denmark's labour market policy to take action grew. A second employment plan was considered and prepared. The range of options open to the labour market and employment policies was increased (see section 2). In early 1981 the retraining instrument underwent a second, partial revision, and its possible applications were extended. It is now explicitly designed, for example, to help small firms to cope with their specific training problems, which are not least due to the greater importance attached to the role to be played by small and flexible work and production units in efforts to achieve forward-looking economic growth. Within a two-year period 1,000 people are said to have taken retraining courses under the 1981 conditions governing assistance granted for retraining measures in small firms (see MINISTRY OF LABOUR, 1981, pp. 63 f.). Small firms have been particularly helped by the dropping of the requirement in their case that a retraining measure for which assistance is sought may not begin without a given minimum number of participants.

3.3.2 Schemes for long-term unemployed men and women

With the first employment plan the Danish government introduced a new type of continuing training related to the labour market, which was designed exclusively for long-term unemployed target groups. This labour market policy instrument is of interest to our study into empirically demonstrable forms of preventive continuing training because it represented an attempt gradually to draw the 'problem groups' back into the employment system and to integrate them into not only short-term, but stable employment. Under the conditions of a persistent surplus on the supply side of the labour market such action under a labour market policy has to contend with major pressures and requires a high frustration threshold on the part of those responsible for labour market policy since the emergence of these problem groups is causally related to the selective processes inherent in employers' personnel policies and it often seems questionable how successfully a strategy specifically geared to training those directly concerned can counteract such policies. In these circumstances, the most realistic approach for the Danish labour market policy would appear to be to pursue - as it does - a predominantly indirect strategy for the reintegration of the long-term unemployed. This means that one of the main functions performed by these continuing training measures consists in motivating the participants and preparing them for subsequent and more extensive continuing training initiated and assisted under the labour market policy. Within this graduated approach to the reintegration of the labour market's problem groups into regular employment, the variations of retraining described above have a very important systematic and factual role to play.

As regards the design of courses for the long-term unemployed, it can be said that the structure of their contents seeks to forge a link with the labour market in two ways. On the one hand, the object is to introduce the participants to an occupation and area of activity with which their working background has not yet brought them into contact. In the courses for long-term unemployed women this entails a curricular approach that paves the way to occupations which have not traditionally been pursued by women. On the other hand, the courses provide training unrelated to any one occupation and guidance relevant to the labour market. The object here is to attune the contents of courses to the participants and their personal circumstances by placing the emphasis on the local labour market.

To some extent, the courses have been standardized to form instruction units lasting from 20 to 120 hours. They do not include practical work experience. Each course takes between 5 and 8 weeks, during which instruction is given full-time from Monday to Friday to enable the participants to adjust to a daily and weekly rhythm comparable to the conditions of normal employment.

The cost of running the courses is met in full by the employment authorities. Participants do not receive a set maintenance allowance. Some continue to draw their unemployment benefit, while others do not receive any assistance.

Since the programmes for the long-term unemployed were introduced in 1977, the numbers of participants have varied. In 1978 17,000 participant-weeks were recorded, in 1979, when there was something of an economic recovery, the figure was down to 12,000, in 1980, with the trade cycle on the turn, it was up again to 14,000, and in 1980, when unemployment rose, it is estimated to have grown to 31,000 participant-weeks (MINISTRY OF LABOUR, 1981, p. 63). These figures reveal a link between the economic and labour market situation and control of the number of participants. This conclusion can also be interpreted to mean that at times of growing unemployment the courses have a clear function to perform as a motivational cushion for workers who have already been excluded from the employment system for some considerable time. The validity of this assumption is confirmed by the fact that participants in other forms of continuing training related to the labour market also have not insignificant reintegration problems at such times. The preventive link in the conditions underlying this set of labour market policy instruments must consequently be seen in relative terms as dependent on opportunities for cyclical and macroeconomic development.

4 Summary assessment of the preventive effect of Denmark's labour market and continuing training policies

Of the countries examined in this study, Denmark is one of those politico-national economies which today have a very well developed system of continuing training and have been using it extensively for over twenty years to tackle problems in the labour market. The principal legislative and institutional features of this system were created during the 1960s in compliance with the guiding conceptual principles of an active labour market policy and have since been gradually extended.

When the employment crisis began in 1974/75, Denmark's labour market policy thus had both a basic institutional structure and considerable experience of vocational training work with adults on which to build within a changed framework for action under welfare-statist labour market and continuing training policies. While continuing vocational training was successfully used in the 1960s and early 1970s as a labour market policy instrument to adjust the qualifications of the labour force to employers' requirements in an expanding economy, it has constantly had to contend with a surplus of supply in the labour market since 1974. For the continuing vocational training system this quantitative imbalance between supply and demand represents a socio-economic structural situation which adds a crucial socializatory task to its familiar function of training by absorbing idle labour capacities. However, as the labour market crisis has continued, policy efforts to include continuing vocational training in strategies for selective forward-looking economic change have also been stepped up.

Regarding the existence and effects of continuing vocational training as an instrument of a labour market policy designed to prevent and reduce unemployment, it can be said

- that the percentage of unemployed participants has increased significantly in all branches of the continuing vocational training system in recent years,

- that a specific type of continuing training has been available for the 'problem groups' in the labour market since 1979 and that the assistance it has received has depended on the gravity of the unemployment problem,

- that retraining has been transformed from its original role as a regional policy instrument for the promotion of industrialization to become a form of continuing training related to the labour market with an explicitly preventive function with respect to the changing problems facing the economy and employment.

Of all the forms of initial and continuing training considered in this study, retraining is the one instrument which, from its basic didactic and conceptual approach and the link it forges between means and ends, seems most likely to succeed in preserving jobs which are under threat and in enabling the unemployed to find new jobs. Despite this, at the time of our investigations in Denmark (January 1982) retraining was low on the list of the various forms of continuing training related to the labour market in terms of the number of participants receiving assistance, although the number was rising.

To the extent that the information gleaned from the interviews with experts in Denmark and the statistics and conceptual and evaluation material available to us permit a global assessment, many of those who have attended continuing training or retraining courses either immediately go on to take other training courses or remain unemployed. Referring to this situation, the Danish Ministry of Labour, the government body responsible for initial and further training and retraining measures for adults, points out that the economy rather than training is to blame for the labour market crisis that has persisted since 1974/75: '... a permanent improvement of the labour market situation cannot be obtained exclusively by means of labour market policy measures ... Such an improvement will require an increase in the demand for labour of a quite different magnitude than it is possible to obtain by means of labour market policy instruments' (MINISTRY OF LABOUR, 1981, p. 49).

Despite the economic crisis, which is placing a considerable burden on the national budget, it can be shown that, as the unemployed have grown in number, the overall volume of continuing training measures designed for them has increased. This anti-cyclical promotion of the continuing training system reveals that continuing vocational training is regarded as a suitable approach under Denmark's labour market and unemployment policies, although it will have to be increasingly combined with a forward-looking policy on economic structures in the future. More recent reflections and efforts at government level with regard to labour market policy point in this direction, as does the shift of emphasis, discernible since the second half of the 1970s but still weak, in the assistance the government provides for continuing training towards in-company places of learning.

If, in view of the present magnitude of the unemployment problem, the concept of preventive continuing training is interpreted in a defensive sense - the goal being perhaps 'to keep the work capacity of the labour force intact until sufficient demand for labour is obtained' (MINISTRY OF LABOUR, 1981, p. 50) - the anti-cyclical dimensions of the continuing vocational training system in the present labour market crisis and the positive discrimination accorded to unemployed target groups and particularly the 'problem groups' (e.g. the long-term unemployed and women) indicate that Denmark's continuing training policy, which has the support of both sides of industry, is generally effective as a preventive instrument. If, however, the preventive nature of continuing training related to the labour market is not measured solely in terms of whether and how far it gives the unemployed section of the labour force a real chance to participate in continuing training programmes designed for them but also in terms of what is in the final analysis the decisive aspect, the likelihood of their finding regular employment, Denmark's present labour market and continuing training policies have had very limited success and need to be expanded along the lines described above.

CASE REPORT ON THE NETHERLANDS

1 Development of the Dutch labour market

As in almost all western industrialized countries, the situation in the Dutch labour market at the beginning of the 1980s is characterized by imbalance between supply and demand due to a shortage of jobs.

The numbers seeking employment increased in the 1970s, particularly in the latter half of the decade. While the growth of the supply of labour in the first twenty years after the Second World War had largely been due to the influx of Dutch nationals from the former colonies and to the recruitment of foreign labour, the rise in the number of women in gainful employment was mainly responsible for the increase in the size of the labour force in the 1970s.

As regards the supply of jobs, the decline in employment in the primary sector in the two decades after the war was accompanied by an increase in jobs initially in the industrial sector and then in the service sector and public administration. Expanding sectors were thus able to absorb any redundant labour.

Signs of the limits to this capacity to absorb the unemployed emerged when industrial employment began to decline in the mid-1960s. The early 1970s, however, saw the beginning of stagnation in employment throughout the economy. The result was a large surplus of supply, which continued to grow during the 1970s.

To enable the socio-economic conditions forming the background to preventive continuing training in the Netherlands to be considered in greater depth, these general trends are described in the following.

1.1 Trend in the supply of labour

From 1969 to 1979 the population of the Netherlands rose by more than a million. On 1 July 1979 the records of the Central Bureau of Statistics show that 13.98 milion people were living in the Netherlands. From 1970 to 1979 the gainfully employable population rose by over 350,000 from 4.87 million to 5,25 million. By the end of the 1970s the labour force thus amounted to 36% of the population and the supply of labour had increased by 7.6%. The number of gainfully employable males rose less steeply during the 1970s than the number of employable women, who were underrepresented in the labour market. Thus the number of women in or seeking gainful employment grew from 1.28 million in 1970 to 1.62 in 1980 as compared with an increase from 3.59 to 3.68 million in the case of men. The growth of the labour force in the Netherlands can therefore be largely ascribed to the increase in the number of working women. Nevetherless, the gap between male and female workers as a proportion of the male and female population remained wide: 22% in the case of women, 51% in the case of men.

The growing size of the labour force in the 1970s was accompanied by a rise in unemployment. The number of registered unemployed almost doubled in the early 1970s, from 62,000 in 1971 to 110,000 in 1973. By 1976 the figure had doubled again to 211,000. Unemployment then stayed at this level until 1979. In the early 1980s, as the labour market situation worsened, unemployment again rose. In 1980 an average of 247,900 people were officially registered as unemployed. If unemployment rates are compared, the growth in unemployment in the 1970s can be summarized as follows: the unemployment rate increased from 1.6% in 1971 to 5.1% in 1980.

It should be noted, however, that, as a result of the statistical methods used, the above figures cover only those officially registered as unemployed. In 1981, for example, an average of 348,000 persons were registered with the employment offices as seeking employment, but this figure includes not only those officially registered as unemployed (i.e. persons entitled to unemployment benefit and seeking full-time employment) but also people wanting part-time jobs as well as persons for whom employment could not provisionally be found and the handicapped. In addition, the calculations of the Socio-Economic Council show that some 125,000 job-seekers were not registered with the employment offices. As an annual average, therefore, a total of about 475,000 people were looking for work in 1980.

This figure is not distributed evenly among the various social groups in Dutch society, certain of them providing a particularly large proportion of the officially registered unemployed. The discrimination against women in the competition for jobs that is evident from their underrepresentation in the labour market is reflected in a breakdown of unemployment by sex. In the second half of the 1970s the number of unemployed women rose by 50%. In 1980 some 88,000 women were officially registered as unemployed, equivalent to 35% of all unemployed persons.

The percentage of women out of work is thus slightly higher than the percentage of women in the labour force.

Unlike men, women suffered a continuous rise in unemployment in the second half of the 1970s. Whereas the male unemployment rate fell from 5.2% in 1976 to 4.1% in 1979, the unemployment rate among women rose from 5.9 to 8.2% in the same period. In 1980 this upward trend among women continued: 8.9% of the female working population was unemployed. Since 1974 the unemployment rate for women has always been higher than the general or joint rate for men and women, and the gap between the sexes has widened from year to year. In 1980 it amounted to 3.1%, i.e. the average unemployment rate for both sexes in that year was 5.8%, as against 8.9% for women alone.

In addition to the high rate of unemployment among women, the large proportion of young people out of work is a special feature of the structure of unemployment in the Netherlands. In 1980 some 45% of all unemployed persons were under the age of 25. When the unemployment rates for the various age groups are compared, the constantly higher rate for women is again noticeable.

In view of its colonial past, the Netherlands can be described as a country of immigration for the inhabitants of its former posessions overseas. Despite the many activities undertaken to integrate the 'cultural minorities', the unemployment rate in these sections of the population is extremely high. It was estimated in 1981 that approximately one quarter of gainfully employable Surinamese are out of work: in May 1981 11,808 Surinamese were officially registered as unemployed. Although the Moluccans form the cultural minority that has lived longest in the Netherlands, their employment prospects are no better than those of the Surinamese. About one quarter of gainfully employable Moluccans are similarly unemployed. Of the third large minority group, the Antilleans, 2,597 were registered as unemployed in May 1981.

Apart from these cultural minorities from the former colonies, national minorities are very well represented among the unemployed. Almost 16% of all the unemployed in May 1981 belonged to this category, which largely consists of workers recruited from the Mediterranean countries in the 1960s.

Many members of the groups so far mentioned as being exposed to an above-average risk of unemployment have one feature in common: they have had a relatively poor education. The following table gives a breakdown of the unemployed by standards of education or vocational training attained:

Table 11 Job-seekers by standard of education and training attained

Standard of education or training attained	% 1977	% 1979	Change
Primary school	48.4	44.3	- 4.1
Secondary school I	33.0	32.3	- 0.7
Secondary school II	12.0	14.7	+ 2.7
Tertiary education:			
- Technical college	5.0	6.8	+ 1.8
- University	1.6	1.9	+ 0.3
Total	100	100	+ 3.1
	N=238,860	N=246,240	N=7,380

Source: Labour Market Survey 1981/81/05, published by the Socio-Economic Council;

own calculations and summary of Table 27 in the above-mentioned Labour Market Survey

Table 11 clearly reveals that the lower the standard of education or vocational training attained by an individual, the more likely he is to be unemployed. It also indicates a shift in the relationship between the various levels of education and training from 1977 to 1979, i.e. workers with a middle-level qualification accounted for most of the 3.1% rise in unemployment in that period. Not included in this calculation are workers in technical occupations or in possession of technical school certificates, who are not shown separately in the table. Unemployment among such workers decreased at all levels.

As in all the Community countries we have studied, the average time workers remain unemployed in the Netherlands has increased as the labour market crisis has continued. The number of persons registered as unemployed for a year or more rose during the 1970s, especially in the second half of that decade. Thus while about 5% of all unemployed men in 1971 were out of work for a year or more, the figure had risen to over 10% in 1975 and to 25% in 1979. Of women registered as seeking jobs in 1971, 8% were classified as long-term unemployed (one year or more). By 1975 the percentage was the same as that for men, 10%, but in 1979 it was somewhat lower, 22%.

Hardest hit by the increase in the duration of unemployment are older workers, both male and female. In the 55-59 age bracket long-term unemployment among men rose from about 13% in 1971 to over 50% in 1979. In the 60-64 age bracket it increased from 20 to about 66% in the same period.

The trend was similar among women. In the 55-59 age bracket long-term unemployment rose from 20% in 1971 to about 50% in 1979, in the 60-64 age bracket from 1/3 to 2/3.

1.2 Trend in the demand for labour

The increase in the size of the labour force by almost one million workers since the Second World War has been accompanied by major changes in the demand for labour. A process of restructuring in the Dutch economy that started as long ago as the beginning of the century quickened after the war. During this process the supply of jobs has both expanded and undergone extensive change.

In the primary sector the supply of jobs has fallen from 20% in 1947 to a mere 6% today. Owing to the considerable emphasis placed on the development of the industrial sector during the reconstruction of the Dutch economy, employees in this sector accounted for 41% of the total labour force by 1965, at which time, however, the upward trend ceased. By the mid-1970s the proportion of industrial workers had fallen back to its pre-war level of 35.5%.

Until the early 1970s the employment explosion in the service sector and public administration compensated for the high rates of redundancy in industry and agriculture. However, the cyclical trend in the 1970s brought an end to this compensatory effect. In other words, the total number of jobs available hardly changed in the 1970s. The slight economic recovery in the second half of the decade made up for the decline in the early 1970s. However, this upward trend in employment prospects was unable to absorb the growing supply of labour, especially as the trend again turned downward in 1981.

The change in the supply of jobs in the 1970s can be summarized as follows:

In the primary and secondary sectors - agriculture, horticulture, fisheries and industry - the number of jobs constantly declined. In agriculture, horticulture and fisheries jobs fell by 50,000 to 279,000 from 1971 to 1979. In industry the number of employees sank to 1.02 million, equivalent to a decrease in jobs by 240,000.

In the construction sector the number of employees has fluctuated, though the trend has been downward. By 1975 it had fallen by 70,000. Thereafter it rose again slightly by 20,000 to 459,000 in 1979.

The service sector and public administration are the two sectors in which the number of employees has risen. In 1979 there were 2,269,000 jobs in the service sector, some 240,000 more than in 1970. In 1979 it employed 48% of the working population. Jobs in the public sector increased by about 130,000 from 1970 to 1979. As a result, 694,000 people were employed in public administration in the late 1970s. As regards the restructuring of the economy and the consequent decline in employment opportunities within the various sectors of the economy, job numbers reveal that the changes have been unevenly distributed. The sharpest drop in industrial jobs has been in the textile and clothing sector, where by 1979 the workforce had been reduced to only 45% of its 1970 level by a serious decline in production. The number of employees in the food and semi-luxury, electronics, metal-processing and engineering sectors fell, despite increasing production, largely because of rationalization measures. The rise in the number of employees in the service sector has been almost entirely due to the increase in the numbers employed in insurance and banking and in the social, cultural and medical sectors. In trade and transport, on the other hand, the increase has been slight.

To summarize, it can be concluded from the trends in demand in the Dutch labour market that, while the tertiary sector was able to absorb surplus labour in the 1970s, it no longer has the capacity to provide employment for the larger numbers of both newcomers to the labour market and workers becoming redundant in the primary and secondary sectors. The total supply of jobs in the Netherlands is stagnating. The supply of labour, on the other hand, is continuing to grow.

This, then, is the present situation in the Dutch labour market, and it is against this background that the preventive tasks of continuing vocational training must be considered in the following.

2 Basic institutional structures of vocational and public continuing training related to the labour market

As a general heading, 'adult education' covers all activities and concepts relating to both vocational and non-company forms of continuing training in the Netherlands. A feature of publicly assisted adult education is that it is only partly governed by legislation. Compared with the situation in most of the countries studied, it is thus less institutionalized and so leaves scope for finding educationally suitable strategies to overcome the problems raised by the present labour market crisis. Nonetheless, there is already a wide range of activities in the areas of preventive continuing vocational training and retraining, and where they are the responsibility of the Dutch employment authorities or the Ministry of Social Affairs, they are governed by legislation. Generally speaking, the adult education system in the Netherlands is still not the subject of comprehensive continuing training legislation. In accordance with tradition, responsibility for publicly initiated and assisted adult education activities and programmes is shared by

- the Ministry of Education and Science,
- the Ministry of Social Affairs (and Employment) and
- the Ministry of Cultural Affairs and Social Work.

The present range of training activities includes an area in which responsibilities overlap and these three political institutions cooperate closely and are endeavouring to achieve increasing convergence of training programmes. The efforts to bring about cooperation, coordination and integration in adult education activities, which must be regarded as a single entity in terms of target groups and participants and what they are intended to learn, began in the mid-1970s, when the labour market crisis worsened.

Of the continuing training schemes of interest to our study, those planned and implemented by the Ministry of Social Affairs attracted the greatest attention at the time of our investigations. However, schemes assisted by the other two ministries are also important as supportive and supplementary continuing training measures with a preventive effect in the labour market.

In the debate in the Netherlands on methods of dealing with the present labour market problems it is widely agreed that the education system can make a major contribution to efforts to overcome the imbalance between supply and demand in the labour market if its range is extended and its quality improved. The strategy aspired to in this respect would consist in a flexible extension of existing institutions together with the implementation of pilot projects as a means of gaining experience and drawing conclusions which may prove helpful in the structuring and institutionalization of what is eventually to be a system of 'éducation permanente' (for which the Dutch term 'wederkerend leren/educatie' is used in some publications). This represents an attempt to supplement the preventive nature of existing continuing training activities with the innovatory content of pilot projects and so to create a continuing training system appropriate to present labour market problems.

Before discussing present programmes and prospects for continuing training activities (section 4), we consider the existing institutionalized forms of continuing training and activities in this field and examine their preventive content.

2.1 Training and retraining at vocational training centres

In 1944, while still in exile in the United Kingdom, the Dutch government adopted the Placement and Initial and Continuing Vocational Training Act, which required the Directorate-General for Employment to establish centres for continuing vocational training and retraining. In the first few years after the Second World War these vocational training centres for adults (CVV) were used for the occupational reintegration of members of the armed forces and administrative and military personnel returning from the former colonies. In the years of reconstruction and ensuing prosperity they were the most important instrument of publicly assisted continuing training designed to supply the labour market with appropriately qualified labour.

The 29 centres now distributed throughout the country offer a total of 40 courses. Originally, the range of courses was smaller and concentrated primarily on occupations in the metal-processing and construction industries. Today 26 of the centres also provide training in technical occupations, while the remaining three focus on commercial activities.

The capacities of the centres have been continuously increased over the years: enrolment rose from 2,109 in 1970 to 4,173 in 1980. The plan is to double the centres' 1980 training capacity by 1985.

The target groups for the training provided at the centres are principally the unemployed and workers threatened with unemployment. Courses last an average of seven months. Certificates are awarded as proof of participation.

The centres have the task of training workers for sectors where there is a shortage of skilled manpower. This has so far alleviated the problem of redundancy in sectors where the supply of jobs is declining. The Dutch Ministry of Social Affairs estimates that 80 to 85% of participants have been able to find jobs after completing a course. It cannot be said, however, how many of these jobs are permanent.

The preventive effect of the continuing training provided at the vocational training centres consists in its performance of a supply function for the labour market by adapting worker's qualifications at the earliest possible stage to cater for changes in the requirements of the employment system caused by structural factors, the prevention of gaps in the supply of skilled workers being an essential feature of an active labour market policy of this kind. In the present labour market situation this means that the centres must increasingly adjust their courses to the demands of the service sector because it is here rather than in the 'traditional' sectors, whose requirements largely dominated the centres' activities in the past (industry, construction, technical sectors), that employment opportunities are most likely to increase. According to Dutch labour market experts we interviewed, too little account has been taken of this factor.

2.2 Programme of cooperation between the employment authorities and employers (SOB)

During the first oil crisis in 1973/74 the Dutch Ministry of Social Affairs extended the labour market policy instrument of retraining programmes at the vocational training centres by adding an initially experimental programme of cooperation between the employment authorities and employers (Scholing in samenwerking tussen overheid en bedrijfsleven - SOB). This programme concerns in-company continuing training measures for which the employment authorities provide financial assistance. The main feature of the SOB programme, on which legislation was enacted in 1978, is that it transfers responsibility for retraining to the employers and eliminates the risk of unemployment after training has been completed. This is a reaction to a weakness in the retraining provided by the vocational training centres, which has a detrimental effect on the practical success of vocational training, particularly under the conditions of a labour market increasingly characterized by a low level of demand.

The legal basis for participation in retraining and job-familiarization schemes forming part of the SOB programme is a contract of employment concluded by the trainee and the firm which will train and (in future) employ him. The Dutch employment authorities are on the whole very flexible in the assistance they provide under the SOB programme and are careful to take account of the kind of training of interest to local firms at present and in the near future. To ensure that this flexible strategy of relating assistance to the regional labour market is observed, the staff of the employment offices include training officials whose task it is to align and coordinate employers' interests with the conditions governing SOB assistance. They also try to take account of the circumstances of small and medium-sized firms. The rules on assistance also provide for smaller firms to come to an agreement on a combination of in-company training and training at the vocational training centres. The director of the local employment office decides whether assistance is to be granted and thus on the success of negotiations between the training officials and employers interested in the SOB programme. The employment authorities pay firms providing training under the SOB scheme an average of 60% of the costs incurred per participant and course.

SOB training is mainly intended for two target groups. The first consists of workers who, though employed, may have to change jobs within the company or may lose their jobs altogether because of technological innovations or the reorganization of work. In this case, the employing firm must apply for assistance under the SOB programme. The second target group for these training measures consists of workers who are already unemployed and who, after being retrained, are given regular employment by the firm that has provided the retraining.

Continuing training measures receiving SOB assistance have increased steadily since this programme was introduced. The number of participants more than doubled between 1974 and 1980. A total of 6,600 people underwent continuing training by this method in 1980. Although SOB training does not result in an occupational profile in that it does not train workers to skilled worker level in the conventional sense but is closely attuned to the employer's specific job requirements, it has the most pronounced preventive effect of all the various types of vocational training schemes related to the labour market and thus has a generally very high preventive content. Compared with the retraining provided and paid for by the vocational training centres, the advantage of SOB training as a preventive labour market policy instrument lies in the fact that vocational qualifications are acquired and used in the same place, thus excluding the risk of employment not being found once the training has been completed.

2.3 Grants to unemployed learners

A third form of institutionalized training with which the Dutch employment authorities are endeavouring to tackle the present problems in the labour market by helping workers to obtain training and acquire qualifications consists in the granting of financial assistance to unemployed people wanting to undergo continuing training. These grants are intended only for unemployed target groups and average 80% of the standard rate of unemployment benefit.

While retraining measures under the CVV and SOB programmes are closely geared to teaching the qualifications of interest to employers, the continuing training grants to the unemployed are principally designed to raise their general level of training and enable them to attend comparatively long-term training courses. The grants are not conditional on attendance of continuing training courses specifically introduced for the purpose or on the observance of certain demand profiles in the labour market. Job-seekers are free to select courses and determine their contents to suit their own interests. In 1980 and 1981 some 10,000 unemployed people received grants under this arrangement.

It is difficult to assess the preventive effect of this method of assisting continuing training. Apart from the generally valid argument that the additional knowledge gained and intellectual training experienced in goal-related learning arrangements increase the occupational mobility of labour, the at best indirect link to the labour market and the very high drop-out rates among the recipients of grants would not appear to be evidence of a pronounced preventive effect.

Of the three main types of vocational and public continuing training related to the labour market, the system of making grants to the unemployed appears to be the least effective in labour market policy terms. Although it offers the unemployed a temporary alternative to unemployment, it cannot be established - from the data available to us at least - in what specific sense it counteracts labour market trends by anticipating them.

2.4 Supportive and supplementary continuing training related to the labour market

Participants in both CVV and SOB retraining schemes must have a certain level of basic training. Having few skills and being unaccustomed to learning, however, many members of the target groups and other potential participants do not qualify. According to experts on the staff of the Dutch employment authorities, this is particularly true of the 'problem groups' in the labour market.

As the above data on the structure of unemployment have shown, most of the unemployed have had a poor education. They often lack the most basic requirements to take part in continuing training that will be of practical value in the labour market. A striking example of groups who are unaccustomed to learning are the illiterate or those whose ability to read and write is far from adequate at the time they decide to participate in a course of continuing vocational training. The Ministry of Cultural Affairs and Social Work organizes special courses to improve their literacy. Although these are not continuing vocational training courses in the strict sense, they do perform an essential function as regards the prospects of such people finding employment by enabling them to meet a basic requirement for participation in continuing training.

The courses for social and cultural minorities held at the vocational guidance and preparation centres (Centra voor Beroepsoriëntatie en Beroepsoefening - CBB) are similarly designed to prepare the individual for vocational training. In this case, the target groups consist of people who are at a disadvantage in the labour market because of social and/or cultural factors. The courses are geared to teaching the abilities and knowledge required for employment or training, the emphasis being on social and intellectual skills without which a job cannot be found or an occupation learnt and pursued. In 1980 some 900 people took advantage of this continuing training facility.

Apart from the literacy courses referred to above, all the continuing training activities so far mentioned are firmly institutionalized. The literacy courses at present form part of projects. They will be discussed in greater detail later. The only other measures that will be mentioned here are the socio-cultural activities and special schemes for women.

The unemployed in the Netherlands are offered 'socio-cultural activities' (sociaal-culturele activiteiten voor werklozen), which have meanwhile assumed considerable proportions. In 1980 12,000 participants were enrolled. The preventive, even compensatory effect of these activities consists in the prevention or alleviation of the social and mental consequences of unemployment for the individual that have been referred to in many studies. The social and mental stabilization of the unemployed - and thus the maintenance and restoration of their ability to earn a living - is the object of these courses.

Women, whom emancipation legislation has given the same rights in the labour market as men, form another target group for special training programmes. These measures are particularly designed to facilitate the reintegration of housewives.

3 In-company continuing training

As we have seen, the Dutch continuing training policy seeks to tackle the problems in the labour market with a wide range of training measures and by providing assistance for continuing training. In contrast to this publicly assisted continuing training, there is little generally accessible information from which general and provisionally satisfactory conclusions on the preventive nature of the various types of continuing training provided by companies can be drawn. It is difficult, for example, to decide from the figure of 125,000 participants in in-company continuing training courses in 1975 how many of these courses concerned vocational training in the strict sense. According to VAN BIESEN (1980), in-company continuing training is not only used for vocational training purposes.

Although the developing in-company continuing training system was initially used to improve the individual's qualifications after the Second World War almost to the exclusion of other objectives, the method applied being the 'goal-oriented accelerated' form of training developed in the United States (see VAN BIESEN, 1980), these activity-related training measures in companies have since been joined by situation-related continuing training. The object here is to use continuing training programmes to improve cooperation and human relations in firms.

In addition to their functional purpose, both types of continuing training, activity-related and situation-related, have the task of ensuring the participant's loyalty to his employer. This function of continuing training, which has been described in several studies in the Federal Republic (see, for example, SCHMITZ, 1978), is also ascribed to Dutch in-company continuing training: according to Dutch experts, the conclusions drawn in these studies can certainly be applied to the situation in the Netherlands. The same can be said of the selective nature of in-company continuing training (see, for example, SASS/SENGENBERGER/WELTZ, 1974), meaning that firms in the Netherlands as in other countries give preference in continuing training to groups who are in a strong position in the labour market, including, therefore, the core rather than the marginal members of the workforce. Continuing training mainly benefits persons with supervisory duties at all levels of the company hierarchy (see VAN BIESEN, 1980).

Large and small firms can also be said to differ widely in the extent to which they have developed and use in-company continuing training as an instrument of their personnel and training policies. Furthermore, the continuing training experts interviewed, quoting from their own experience, referred to the - in some cases serious - problems which the departments responsible for continuing training even in large Dutch companies encounter in gaining acceptance within company management. A comparatively low level of acceptance of a company's continuing training system obstructs the implementation of a long-term, offensive and preventive concept of continuing training as part of its overall activities. The general emphasis on training to meet the company's own requirements is also an indication of the low level of preventive orientation in present in-company continuing training. The results of such training can scarcely be used elsewhere, and it is consequently of little benefit to the worker when he competes for jobs in other companies or becomes unemployed. The strategy discernible in companies' continuing training policies of shielding their own labour markets from the labour market as a whole and the selective encouragement of certain employees to participate in continuing training are in fact indicative of a constituent element of the distribution of unemployment and the formation of problem groups in the labour market as a result of companies' personnel and training policies.

4 Preparations for the institutionalization of a continuing training system

The forms of continuing vocational training and supplementary continuing training that have been described so far reflect the variety of the problems arising for the Dutch labour market in the 1970s. The different forms of institutional organization are also an indication of the temporary nature of the continuing training system.

Thus the firmly institutionalized forms backed by legislation, such as the vocational training centres for adults that were a pillar of active labour market policy in the 1960s, have been joined by subsidized projects which are not based on legislation. They too are an attempt to tackle the present problems in the labour market. The above-mentioned socio-cultural courses for the unemployed are a good example of such projects. It was not until the average time people remained unemployed began to increase in the 1970s that these courses became necessary. The serious thought that has been given in recent years to the development of a cohesive system of continuing training and a higher level of integration of what are at present separate forms of training is not least due to this trend in the 1970s. To cope with the processes of radical change occurring in the Dutch economy and the associated social changes, the Netherlands, like other industrialized countries, has a system of initial training whose general and vocational courses have long been incapabale of teaching all the social and technical qualifications needed for life.

Consequently, the development of a continuing training system that dovetails with the initial training system is being considered, principally in political and economic circles. Many reports and opinions on the subject appeared in the second half of the 1970s, all very much endorsing the idea of 'éducation permanente' or recurrent education. As our study is primarily concerned with the preventive aspects of labour market policy instruments, we can but give here a few examples of the main themes of these papers.

As the first step towards the institutional development of continuing training, the attempt has been made to coordinate the responsibilities for adult education traditionally shared among various ministries. To this end, an interministerial working group for adult education chaired by the Minister for Education and Science was set up. Also represented in this working group are the Ministry of Social Affairs and the Ministry of Cultural Affairs and Social Work, which similarly have responsibility for organizing adult education schemes.

The short-term goal of this working group is the coordination of innovatory projects. It is hoped that the conclusions drawn and experience gained during these projects will benefit the introduction of a system of 'éducation permanente'.

Under the guidance of the national project group several hundred projects will be implemented at local level in the first half of the 1980s. These projects will comprise courses for cultural minorities, illiterates and people retiring early, Open School and education network courses, and vocational training courses.

The present range of vocational training courses, which are of particular interest here, is to be increased and geared specifically to the needs and interests of the problem groups in the labour market with a view to improving their chances of finding employment. In co-operation with the other two ministries responsible for assisting adult education, the employment authorities have, for example, developed courses which are due to begin in 1982 and will provide institutionally and didactically synchronized vocational, linguistic and socio-communicative training for groups with poor employment prospects.

The projects will also include the introduction of special courses within existing institutions of both continuing and initial training to enable adults to obtain a basic qualification. The apprenticeship system in the Netherlands will play a particularly important role in this respect. Serious thought is also being given to using this system to retrain adults.

The working group believes there is a particular need for renewed vocational training among housewives returning to the labour market after a fairly long absence, single mothers and especially people who have had little or no initial training. This desire to help women to obtain the qualifications they need if they are to become gainfully employed stems, among other things, from the fervent debate on emancipation that has been in progress in the Netherlands since the 1960s.

The basic assumption here is that the training needed by the individual does not, in view of the employment crisis, necessarily have its counterpart in the form of a job or in the expectations of society. Training should therefore be geared to the occupational profiles most likely to be found in sectors of the economy in which it seems that the vocational training aspired to can be put to a wide variety of uses.

Behind this alignment of training with a qualification structure yet to be created lies the hope that, as the programme is implemented, it will be seen how the demand side of the labour market reacts to the better training of workers. This hope can, of course, be fulfilled only in expanding branches and sectors of the economy. The training objectives of the programme are therefore chiefly geared to employment in the tertiary sector and to expanding branches of other sectors of the Dutch economy.

The improvement of the employment prospects of the abovementioned target groups by increasing their chances of being admitted to the present initial and continuing training systems is also intended to be, as we have said, a first step towards a comprehensive continuing training system. However, improving the chances of admission does not in itself mean that more people will seize the opportunities that already exist. For this reason the admission requirements for the special target groups have been set at a level which is attained with relative ease, a certificate of intermediate general secondary education (mavo) or of lower vocational training (lbo), in order to keep the motivation and participation threshold as low as possible. The special projects will also conclude with the award of certificates comparable to the primary level of an apprenticeship or the first stage of intermediate vocational training (mbo).

If it is to be made easier for people to go back to vocational training, it is considered essential for cooperation between vocational guidance and vocational training measures to be improved. Guidance and training courses are therefore to be didactically coordinated and transfers from the former to the latter facilitated.

To ensure that the individual's right also extends to continuing training, more than suitable forms of training, such as the pilot (innovatory) projects, will be required: wide-ranging initiatives must also be taken outside training. Legislation must, for example, be adopted to govern transfers from work to training under the future system of 'éducation permanente'. In this context, the introduction of educational leave has been under discussion in the Netherlands for several years. The interministerial working group for adult education also refers to this idea in its last general report, which appeared in 1981. In line with its deliberations on ways of assisting problem groups in the labour market, it calls for educational leave not only for the gainfully employed but also for the unemployed and persons performing unpaid work. In other words, the unemployed and housewives would also have a right to paid educational leave.

The working group proposes that educational leave should be introduced by progressively increasing the numbers who qualify for such leave. During the first phase it should be possible to discriminate in favour of certain target groups, with priority given to the long-term unemployed, women threatened with unemployment and people who want to retire early.

The interministerial working group's long-term objective is the development of a cohesive, flexible system of continuing training. Educational leave and leave from gainful activity safeguarded by labour or social legislation would play a key role in ensuring the effectiveness of this system.

The introduction of a system of this kind will have more than a marginal effect on the present system of initial training. A general reduction in the duration of initial training is being considered, for instance. During the first phase of life greater importance will have to be attached in curricula to learning to learn to facilitate a return to learning at later stages in life. In the above-mentioned general report the interministerial working group uses the term 'wederkerende educatie' for 'éducation permanente', by which it means a set of arrangements enabling an interchange or interaction between work, training, leisure and other social activities. This is designed to encourage a change in the relationship between social, cultural and political spheres that is not least due to the major processes of restructuring in the labour market and the employment system.

5 Summary and provisional assessment of preventive measures in the Netherlands

Like other Member States of the European Community, the Netherlands is attempting to tackle the employment and labour market problems that emerged during the 1970s by making comparatively offensive use of educational policy instruments. The policy-making authorities are endeavouring, for example, to expand and differentiate the training instruments created under the labour market policy even before the labour market crisis began, a central role being played by the concept of retraining and similarly practical forms of training. A government-assisted retraining and job-familiarization concept, the SOB programme, which favours the early in-company training of certain categories of workers whose jobs in the employing company would otherwise be in jeopardy, is proving particularly effective as a preventive instrument.

In addition to the extension of the options usually open to the employment authorities, training courses which are more of an experimental nature and take the form of subsidized projects are gaining in importance. These programmes, which, in accordance with the traditional division of responsibility for adult education among the various political authorities, have mostly been assisted by the Ministry of Cultural Affairs and also the Ministry of Education and Science, are designed to add to and strengthen intellectual and practical skills which perform an indicative and supportive function for a preventive labour market and training policy. In view of the persistence of the unemployment problem and the no more than vague signs of economic and social change, the fact that the Netherlands does not yet have comprehensive legislation on continuing training and that only rudimentary and provisional institutions on which to base a future continuing training system exist at present is proving something of an advantage in the development of continuing training courses specifically for groups whose prospects of being trained and finding employment are now poor.

Looking back over the development of the labour market policy and its relationship with the education policy and measures taken under this policy, it can be said that the establishment of the vocational training centres in the Netherlands very soon after the Second World War and the occupational integration of returning military and colonial personnel at these centres created at a fairly early stage a set of instruments which remained in force almost without a break during the period of full employment and active labour market policy and was used with considerable success in the shaping of labour market policy as distinct from economic policy. It was not until the labour market problems changed fundamentally in the 1970s as a result of a shift in the quantitative relationship between supply and demand that the well tried instruments from the time of active labour market policy had to be extended and, from about the mid-1970s, supplemented with new types of continuing training programmes and cooperation. Nevertheless, the overall success of the promotion of education and training under the labour market policy must be rated very low if the progressive increase in unemployment in the 1970s is used for comparison and evaluation purposes.

The problems of the labour market and the questions arising during the search for strategies as a response to these problems have attracted considerable attention in Dutch policy. The goal of as effective and preventive a labour market policy as possible also appears to be gradually breaking down the rigid division of responsibility for adult education among the various ministries, resulting in new methods of cooperation and coordination in the assistance granted to continuing training schemes. In the search for an effective and therefore long-term strategy for dealing with the problems of the labour market a number of other questions also play a highly significant social part. These questions are reflected in the debate on the emancipation of women, the wastage of energy, the destruction of the environment, nuclear energy, the density of the population, the increasing importance attached to leisure activities, which reveals a change of attitude towards paid industrial work, and the growing realization that present labour market problems can only be overcome by establishing a completely new labour market with a structure different from that of its predecessor. This last aspect places the function of a preventive labour market and training policy in the narrow context of the public subsidization of jobs in the energy, social, education and environmental sectors, for example. Some decentralization of the labour promotion and education policies and the general strengthening of authority at local level are also being considered. In view of the world economic situation, the future of industrial work in the Netherlands is seen as lying in the manufacture of 'intelligent' products and the promotion of employment in small firms, where a highly qualified workforce with flexible and cooperative organizational structures produces goods for a changing market. Against this background, the success of a preventive training policy will largely depend on its being joined and synchronized with an appropriate structural policy.

CASE REPORT ON THE
REPUBLIC OF IRELAND

1 The peculiarities of Ireland's social economy as a framework for preventive continuing training

In any discussion of the methods and effectiveness of preventive training measures taken to reintegrate the unemployed into the labour market the conditions peculiar to the Republic of Ireland, and thus different from those in the other Member States of the European Community (with the undoubted exception of Greece, which is not considered in this study), must be borne in mind. These conditions are due to the history of Ireland: it was not until the twentieth century that it gained the national independence it needed to develop politically and economically as a nation state. A particularly important consequence has been a trend in population growth characterized by extreme fluctuations and an unusually late start on industrialization, with the result that an industry geared to the world market did not begin to emerge until the late 1960s.

As the population is expected to continue to rise steeply in the foreseeable future and as the take-off phase of industrial development has not yet been completed, labour market policy in the Republic of Ireland faces the dilemma of being able to reduce its relatively high level of unemployment (10%) at a time of persistent world-wide stagnation of industrial production only by pressing ahead with the expansion of the industrial sector while needing to find employment for a growing labour force.

In these difficult circumstances, Irleand does, however, enjoy a number of specific advantages, one of the most important undoubtedly being that the Irish economy does not have to contend with the structural problems of the 'old' industrialized countries caused by the state of permanent crisis in their traditional industries (e.g. steel), overcoming which has become a focal point of their national economic and labour market policies. This absence of the 'ballast' of obsolete industries coincides with a low level of occupational predetermination in the the qualification structure of the working population. In other words, the training of young people and particularly of adults for jobs in new industrial companies is in most cases training to a higher level, building on the uncomplicated knowledge of agricultural or semi-skilled activities. Consequently, the retraining (conversion) of occupationally specialized workers is virtually unknown in Ireland, unlike the other countries studied.

A further advantage of the Irish situation is that the institutions required for a continuing vocational training system and for the labour market policy of which it forms an integral part are similarly of recent vintage. During the preparations for accession to the European Community and after Ireland had become a Member State, government policy created not only completely new planning authorities for industrial development but also a system of vocational training and labour planning. From the outset both bore the mark of an 'active' policy on the restructuring of the production system and the labour market. Furthermore, because of the country's relatively small population and decentralized administrative structure, the employment and education authorities, for example, are still able to operate with largely transparent and unbureaucratic decision-making processes and flows of information. This relative proximity of administrative procedures to real life is further encouraged by the pronounced elements of self-sufficiency still evident in the structure of society in Ireland, unlike the major industrialized countries (a relatively large proportion of the population lives in the country, the social position of the family continues to dominate, subsidiary gainful activities, leading to a combination of agricultural and industrial work, are widespread, etc.), the population consequently being far less dependent on the facilities provided by the welfare state than is the case, for example, in the large industrial centres. Radical restructuring of the labour force, and unemployment in particular, causes fewer social problems for government policy to deal with.

This relative flexibility of the administration and social structure does not, however, alter the fact that the qualification structure of the Irish working population still displays obvious pre-industrial traits and that the government policy on initial and continuing vocational training therefore has an essential role to play in further industrial development, qualifications thus being a crucial variable in a difficult situation. In the following brief description of these background conditions and specific organizational forms of the Irish system of continuing vocational training, the procedures developed within this system and the effects of preventive training schemes will be considered.

2 Demographic evolution and trends in the supply of labour

The population of Ireland fell steadily after the famine in 1841, before which it had been 6.5 million, and did not begin to rise again until 1961. In the 1970s population growth accelerated. Thus while the population increased by 160,000 to 2,978,000 from 1961 to 1971, it rose by a further 390,000 to 3,366,000 from 1971 to 1979. This demographic change has been caused not only by a significant increase in the excess of births over deaths but also by a sharp decline in emigration, which in the past constantly reduced the pressure of supply on the domestic labour market, and by the return of increasing numbers of Irish citizens owing to the worsening labour market situation in the countries to which they had emigrated. If the forecasts are to be believed, this trend will continue over the next ten years, leaving the Irish labour market policy to cope with an average rate of population growth of 1.3% p.a., a factor unknown to most European countries.

In terms of age structure, Ireland is consequently the 'youngest' country in Europe, 48% of its population being under the age of 25 (the average for Europe being 38%). The problem considered to be in most urgent need of solution by the labour market and education policies is thus the training of growing numbers of young people and their integration into the labour market. According to the forecasts, growth in the 15-24 age bracket will slow and growth in the 25-44 bracket will increase from the mid-1980s onwards. Under present structural conditions the latter age group is more likely to suffer long-term unemployment and also forms the most important target group for continuing vocational training.

3 History and institutional foundations of the labour market and continuing training policies

The methods applied in preventive continuing training and the effect it has must be viewed against the background of the specific features and history of Ireland's labour market and continuing training policies, which in many respects differ from those of other European countries.

A systematic labour market and continuing training policy was introduced in Ireland in the mid-1960s, following the government's submission in 1965 of a white paper setting out the principal features of a labour market policy geared to increased industrialization. The main objective was to ensure that the government took suitable and prompt action to adjust the structure of the labour force to intended or expected radical changes in the structure of employment. An active labour market policy of this kind was to be equipped with the following instruments: a newly created information and guidance system for the placement authorities, an initial and continuing training system geared to future qualification requirements, and a system of financial assistance for unemployed workers undergoing training to ensure adequate occupational and regional mobility.

At the level of the labour market policy this strategy resulted in the establishment of the Department of Labour in 1966 to take charge of the implementation of the policy and questions relating to job security, labour legislation and worker participation. Attached to the Department of Labour is the National Manpower Service, which is responsible for matching job-seekers and vacancies at regional level. The Department of Labour is also assisted by the Manpower Consultative Committee, which in the past has compiled a number of studies and reports in which it expresses its views on major aspects of the labour market policy and particularly the interdependence between this policy and the qualification structure of the labour force and the education policy.

The institution responsible for the implementation of the continuing training policy is the Industrial Training Authority (AnCO) set up in 1967 under the Industrial Training Act to develop and itself to provide vocational training for all occupational and age groups throughout industry and the service sector. It has three main tasks: the supervision and control of the training of apprentices, the provision of initial and continuing vocational training at its own or other, suitable training centres, and the organization of in-company continuing training. For these purposes the Industrial Training Authority is able to draw on a financing system fed from three sources:

- A levy system, to which every employer contributes 1 to 1.25% of total wages and salaries paid and from which firms may receive up to 90% of their training costs in the form of grants for training courses recognized by AnCO (the remaining 10% consists of a flat-rate sum for administration). The proportion of AnCO's budget for which this revenue or expenditure accounts fell from 28% in 1975 to 19% in 1980.

- The relatively largest source of finance, and one that is growing in importance, consists of direct allocations from the Department of Labour, whose contribution in the above-mentioned period rose from 44 to 49.5%.

- The third form of financing, whose share of the total has hardly changed, consists of grants from the European Community's Social Fund (27% in 1975, 29.5% in 1980).

The Industrial Training Authority is headed by a Board which is responsible for general decisions. It is appointed by the Minister for Labour and is composed of representatives of the employers' organizations, the trade unions, the education sector and the Department of Labour. The Board is advised by seven Industrial Training Committees, each for a given sector of the economy and composed of equal numbers of trade union and employers' representatives.

AnCO and its staff are concerned with (1) the management of the system of levies and grants for the financing of in-company training, including the compulsory prior examination and subsequent assessment of the quality of courses, (2) the provision of vocational training at the eleven permanent and two temporary training centres throughout the country, (3) advising firms on the planning and implementation of in-company training (Training Advisory Service) and (4) research and planning work of a more general nature (AnCO, 1982).

The Industrial Training Authority is the dominant organization in the Irish continuing training system, there being only two other, smaller bodies which organize continuing training for a specific occupational group and one branch of the economy and were of strategic value for Ireland's economic development in the 1960s and 1970s: the Irish Management Institute (IMI), which is responsible for the training of managerial staff in the private and public sectors, and the Council for Education, Recruitment and Training for the Hotel Industry (CERT), whose training measures are related to the promotion of tourism.

Before the structure of participation in these continuing training schemes, their content and the way in which they are organized are discussed, reference can be made to various preventive aspects built into the system.

- The aim of the strategy underlying the Irish labour market policy was not only to speed up national industrial development in the hope that the country could rise to the level of other European countries but, from the outset, to prepare the labour force for this structural change or to protect it against excessive social risks associated with such change by creating an adequate range of facilities for adjusting qualifications to foreseeable new requirements. This labour market policy was thus basically intended to have a preventive effect.

- The instruments of this policy include appropriate precautions, the most obvious of which has probably been the establishment of the Training Advisory Service, which gives companies advice on their personnel and continuing training policies with a view to aligning them with macroeconomic and social policy objectives by ensuring a constant feedback of information on individual companies' decisions and macroeconomic strategies.

- This alignment of individual training courses with global policy objectives is reinforced by the large proportion of the training which AnCO itself has developed and provides at its training centres.

- A further indicator of the same tendency is the growing proportion of direct allocations from the national budget to the Industrial Training Authority and the declining proportion for which the levy/grant system accounts, making the financing of training measures relatively immune to cyclical fluctuations and paving the way for an anticyclical continuing training policy.

4 Nature and scale of training measures with reference to their preventive effect

If the structure of continuing vocational training in Ireland is to be understood, a problem of definition must first be solved. The statistics distinguish between two categories of participants, apprentices and adults. These references to the age of participants are, however, confusing: the term 'apprentices' covers only participants training in an industrial occupation with a view to obtaining a skilled worker's or craftsman's certificate. They are aged between 16 and 20 and are trained by the dual system: 'These courses cater for 1st year Off-the-job Apprentices. The Apprentices are sponsored either by their companies or by AnCO. They are paid the normal wages for the first year apprentices in their trade. They attend the appropriate day or block release courses in the Vocational colleges and schools during their AnCO course. When they have completed their first year with AnCO, the apprentices then resume their training in industry and qualify in the normal way' (AnCO, year not stated, p. 2). In 1980 21,500 young people underwent training in this way, 1,750 of them at the training centres. The training centres provide off-the-job training in construction, metal-working, engineering and electrical engineering occupations, automotive engineering and carpentry.

The term 'adults' covers participants in courses which largely build on previous experience and concern not only industrial activities but also all forms of non-manual work: 'These courses are for men and women aged 16 or over who have left school. There is no upper age limit. The average length of course is four months. Courses are run in AnCO Training Centres or in suitable organisations outside AnCO, such as industrial and commercial companies, semistate bodies, educational establishments and other institutions. Courses are selected to meet local industrial and commercial needs and to provide the greatest chance of a job after training' (ibid., p. 1). In 1980 a total of 10,500 gainfully employable people underwent this kind of initial or continuing training in industrial, commercial and social occupations. No reliable information is available on the age structure of these gainfully enployable people, but from what one expert said it can be assumed that some 80% of these 'adult' participants are under the age of 20. Consequently, of the training measures run by AnCO itself, courses attended by no more than about 2,000 participants can be said to constitute continuing vocational training.

While a relatively small proportion of AnCO's own training courses are designed for adults in the true sense of the word, a far wider range is to be found in the in-company continuing training on which AnCO provides guidance through the Training Advisory Service and for which assistance is provided in the form of grants. These training measures, all of which are prepared and evaluated by the Training Advisory Service and its 159 training advisers, are divided into three schemes:

- the New Industry Grant Scheme, which has the task of cooperating with the Industrial Development Agency in the in-company training of white- and blue-collar workers for newly created jobs;

- the AnCO Training Grant Scheme, under which older established firms are advised on and assisted with in-company training courses on request;

- the External Training Programme, under which firms provide training for unemployed white- and blue-collar workers (and not, therefore, employees of the firm concerned) on AnCO's behalf.

The following statistics on these programmes are available for 1980:

Numbers of participants in in-company continuing training courses in which the Training Advisory Service is involved, by sectors and schemes

Scheme Sector	New Industry Grant Scheme	AnCO Training Grant Scheme	External Training Programme
Textiles	414	423	50
Clothing	2,699	977	160
Food and semi-luxuries	188	519	25*
Engineering and electrical engineering	5,835	3,005	126
Construction	450	194	76
Printing and paper	251	478	58
Chemicals	2,937	680	n.d.

* number of courses; no information on participants available

Source: Compiled from data contained in AnCO, 1981a

A striking feature revealed by this breakdown is the relatively limited importance attached to courses designed to reintegrate the unemployed. Compared with the other two schemes, the External Training Programme plays a fairly significant role only in the textile industry, already badly hit by sales crises in 1980, and the construction industry. In all sectors participation under the New Industry Grant Scheme, which is geared to technological progress, and the AnCO Training Grant Scheme, where the emphasis is on in-company adaptation, clearly dominates. Of the three programmes, the AnCO Training Grant Scheme has the highest number of participants in the textile industry (which has stopped expanding in Ireland as elsewhere), the food and semi-luxuries industry and the printing and paper industry (at present affected by drastic changes in qualification requirements). Continuing training programmes geared to technological progress dominate in the clothing, engineering and electrical engineering and chemical industries, the sectors which form the backbone of Ireland's industrialization policy. Training courses under the New Industry Grant Scheme in these three sectors account for nearly two thirds of all measures assisted through the Training Advisory Service. Only a closer examination of the various training courses will reveal how preventive these two major schemes are, although the External Training Programme can certainly be assumed to have a preventive effect. An indication will be provided by the examples given below.

5 The preventive approach and the effect of the Irish initial and continuing training system under the conditions of growing unemployment

Following the above statistical information on the structure of participation in the Irish continuing training system, the features of the various programmes will be considered to see what preventive effect they have, the subject of primary interest here.

It is estimated that 2,000 people over the age of 20 take training courses at AnCO's own training centres. Admission is restricted to persons who are unemployed, persons who make a successful application for retraining or further training, married women wanting to go back to work, school-leavers and graduates unable to find jobs after completing their education, and farmers and farmworkers wanting to leave agriculture. For these workers (and the 10,000 or so participants under the age of 20) the training centres had 4,077 training places in 1980 (the aim being to increase their capacity to 7,000 places by 1985).

The subsistence costs of the participants and their dependants are financed through an allowance scheme, under which allowances range from £29.55 (per week and unmarried participant) for persons aged 20 to £39.20 for persons over 35.

The information available on unemployed participants in these programmes is far from complete. The Industrial Training Authority points out, however, that economic restructuring (e.g. the closure of unprofitable and obsolete firms) is increasingly giving way to the general decline in the supply of jobs as the main cause of participation in continuing vocational training. Calculations of the percentage of unemployed persons among participants vary widely, largely because of the inadequate size of random samples. Some estimates refer to 95%, which is, however, considered excessively high, others to 78.3 and 67.7%.

In another AnCO report the structure of participation is broken down as follows (status when beginning the training course):
- 26% employed,
- 52% unemployed,
- 22% school-leavers, graduates, housewives

(AnCO, 1981b, p. 15).

Various studies (AnCO, 1977, 1978 and 1981b) have evaluated the success of these reintegration measures. In 1980 almost 70% of all participants (adults in training centres) were said to have found jobs immediately after completing their continuing training, while the majority of the remaining third found employment within the next three months, although in most cases it was not closely allied to the content of their continuing training. These average figures also apply to the sub-population of participants who were unemployed before beginning a course of continuing training.

As regards the question of preventive effect, training centre courses which are designed for women, and particularly housewives wanting to go back to work, are also of interest. No account need be taken here of training courses for school-leavers and graduates since they do not come under the heading of continuing training. A 'dramatic' increase is noted in the participation of women in courses at the training centres (for adults), the proportion of the total for which they account rising by 30% from 1975 to 1980. This is mainly attributed to the growing willingness of women to work in industrial companies and to take on jobs in what are considered to be typically male occupations (10% of the participants in adult courses in such occupations are women) (LEYDON, 1980). It is said, however, that women who were unemployed before their continuing training encounter specific difficulties in the subsequent search for jobs. This is put down mainly to the traditional refusal by employers to allow women into areas of activity dominated by men. The training authorities have reacted by organizing various seminars for personnel managers on 'The employment and training of women', which it is hoped will prove enlightening.

A specific form of continuing training explicitly intended to be preventive is the 'return to work course', in which women are prepared for reintegration into the labour market. These courses are not primarily designed to teach actual occupational skills but focus on such aspects as 'confidence-building' and 'job-finding skills'. An average of 120 women take part in these courses every year.

A minority for whom the training centres undertake preventive activities is formed by the group known colloquially as 'tinkers', officially as 'travelling people' and wrongly as 'gypsies'. For the most part they are impoverished former farmworkers and their families who are no longer sedentary. Courses for these nomads-by-necessity are designed to help them to become sedentary and to find employment. This is done by holding literacy courses and training them in social skills and also by teaching them simple handicrafts which they can use to advantage in the tourist trade.

As regards the continuing training that is provided outside the AnCO training centres with the assistance of the Training Advisory Service, there are no reliable statistical data on the structure of the courses. If the preventive effect of the New Industry and AnCO Grant Schemes is to be assessed, however, the workings of the Training Advisory Service and the feedback of information on companies', individuals' and the authorities' decisions on continuing training should be explained.

Training courses governed by either Grant Scheme can be held and assisted only if the company or, in the case of new industries, the Industrial Development Agency (IDA) submits an application to AnCO or its Advisory Service. Where an application has been made, an adviser consults the company on the content and organization of the training course and its place in the company's personnel policy. Once the course has been approved by the Advisory Service, the costs are met from the levy/grant scheme described above. In other words, there is a direct link between the evaluation of the content of the course and the financial incentives or sanctions. While the course is in progress, an adviser makes an inspection at least once a month and draws up a report on his findings. After the course has finished, it is evaluated by the company, the participants and the adviser, although a critical evaluation seldom results in the course not being repeated, for example. As a rule, appropriate changes are made. This cooperative form of evaluation, which is intended to be practical and unbureaucratic, is undoubtedly possible only because of the small size of the Irish labour market and the relative simplicity of its operational structure, which make for inexpensive, informal feedback among those concerned.

It is, however, these forms of cooperation which make it possible to consider problems at company level, from technological changes to closures, in terms of their implications for the employment of the workforce and possible means of overcoming them with continuing vocational training measures. The Industrial Advisory Service thus has an institutional facet which can in principle ensure that training courses have a preventive effect. This information system is further reinforced by the addition of an early-warning system, which results in firms receiving larger grants towards subsequent training courses, the earlier they warn the Advisory Service of pending employment problems. Two examples will serve to illustrate this situation:

- The closure of a sugar refinery that was no longer profitable was delayed with government assistance until a new plant able to absorb the redundant workers was constructed nearby and these workers had been trained for the new jobs.

- When the largest company in a textile town closed, similarly because it was no longer profitable, the Industrial Development Agency helped a large engineering firm to construct a branch in the town and AnCO set up a training centre to meet the firm's qualification requirements.

Although these examples may illustrate the logic inherent in the advisory system, they must not be seen as a source of optimism: the implied expansion of new industries has slowed significantly in Ireland as in other countries. One consequence this has had was the definite shift of emphasis in the budget adopted in late 1981 away from the New Industry Grant Scheme and towards the AnCO Grant Scheme. In view of the stagnation of industrial development, it is thus hoped that training courses in existing and particularly smaller firms can preserve jobs.

However, the world economic crisis has caused not only these changes but also a number of other disruptions which may cast serious doubt on the validity of a great deal that has been based on information dating back to 1980. One development, which may not be of major importance, is that the cooperative style of the labour market and continuing training policies, as reflected in the cooperation between the trade unions and the employers' associations in the bodies described above, has now given way in some respects to solutions preceded by disputes (for example, fringe benefits and continuing training programmes have recently been the subject of negotiations between the two sides of industry).

There are signs of a drastic change in the budgetary policy, which under the government in office in 1980 was still relatively expansive and, in the case of training measures, even anticyclical. The Fitzgerald government then pursued a far more restrictive financial policy, as a result of which it was, however, forced to resign in January 1982.

Probably the most important parameter of today's labour market and training policies, however, is unemployment, which has rapidly increased to an extremely high level (11%) by European standards. Owing to the age structure of the Irish population and other factors, the under-25s have been hit hardest. Their training and employment have become virtually the sole concern of the country's training policy, resulting not only in an increase in AnCO's budget compared with the budgets of the other schemes but also in the question of continuing training for adults being banished to the sidelines in the minds of the public. This is reflected, for example, in a proposal, adopted by Parliament in January 1982, for the establishment of a separate Youth Employment Agency.

The above figures on the over-20s attending training courses, which cannot unfortunately be broken down into age groups, must also be seen against this background. It is fairly safe to assume that the 20-25 age group, defined in the statistics as young people rather than adults, is quite sizable.

In summary, it can be said that, in quantitative terms, preventive continuing training courses designed to reintegrate adults into the labour market at present play a very subordinate role in Ireland's labour market and vocational training policies. It must be remembered, however, that this is to take only a quantitative view of the matter, that the instruments of this training system have various preventive qualities and that a distinguishing feature of this system, which in some respects has found expression here only as a problem of statistical definition, is that it has been left open to deal with problems connected with both initial and continuing vocational training. This openness seems to have its roots in the history of the Irish vocational training system, which was first designed in the mid-1960s to encourage young people and adults to change from agriculture to industry by offering them vocational training courses and then, in the 1970s, to prepare both target groups for jobs in the expanding 'new industries'. Although compelling social factors are at present resulting in the accent being placed on initial voational training and integration measures for young people, it must be realized that, in view of the specific age structure of the Irish population, the emphasis on initial training will abate in the late 1980s and continuing vocational training will again become the topical issue.

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[1] For details on demographic evolution see SEXTON, J.J., The Changing Labour Force, Esri Conference on 'The Irish Economy and Society in the 1980s', The Economic and Social Research Institute, Dublin 1981, duplicated manuscript.

CASE REPORT ON THE UNITED KINGDOM

1 The present situation

The labour market and the continuing training system in the United Kingdom are at present confronted with a critical scenerio of social problems far more serious, in some respects, than the problems created by the labour market crisis in other European countries. The most striking feature is the extremely high level of unemployment: 12.7% or over 3 million job-seekers in January 1982. These figures mark a temporary halt to the increasing gravity of the employment problem in the United Kingdom, which is characterized not only by a rapid decline in the number of jobs available but also by the partial collapse of institutional structures of the initial and continuing training system. This trend is transforming the structure of British industry, which has a very long tradition, particularly in heavy industry, coal and engineering - industries which are seriously threatened by the present shift in world production and by new technologies. The world economic crisis is thus adding to the problems of old industrialized countries like the United Kingdom.

A further variable is that the demographic trend in Britain has led to a disproportionately high number of school-leavers looking for jobs, with the result that unemployment largely means youth unemployment, a situation that is further aggravated by the policy of the British trade unions.

Another feature of the present situation in the United Kingdom is a significant change in economic and social policies from a social-democratic pattern of welfare and employment policy to a restrictive policy of reducing public spending and encouraging attempts to improve the market's self-regulating ability - a trend which has also begun in other Member States but is having major repercussions in the United Kingdom because of the earlier start made there.

The question of reintegrating the unemployed into the labour market with the aid of further vocational training thus arises at a time of grave inconsistencies in the United Kingdom. The clearest illustration of this is the submission in 1981 of a consultative document on a new strategy to combat unemployment and economic structural problems with continuing training by the Manpower Services Commission, which is responsible for an active labour market policy and continuing training as an integral part of this policy. In response to this 'New Training Initiative' the government (Department of Employment) published a white paper entitled 'A New Training Initiative: A Programme for Action', which, in view of the high unemployment rate among young people, is almost entirely devoted to the subject of youth unemployment and earmarks almost all the finance set aside for the programme for measures to tackle this problem. Of the 61 paragraphs in this white paper, only the following two concern the continuing training of employed or unemployed adults:

> '48. The skill shortages which have held back our economic progress in the past could reappear when the economy recovers. They cannot be met solely by training the new intake of young people, but will require considerable readaptation of the existing labour force. Skill needs will continue to change and require updating. Wider opportunities for training and retraining of older people in the their 20s, 30s and later in life are bound to be required in the future.
>
> '49. This is primarily a matter for industry. It will, however, in some cases require quite new arrangements and facilities. The Government therefore intends that the resources of the Training Opportunities Programme, currently running at some £250 million a year, should increasingly be directed to encouraging the necessary provision in industry.'
> (Department of Employment, 1981, p. 11)

In this assessment of the situation by the British government continuing training for adults is seen only as a way of overcoming skill shortages. Institutionally, the government does not consider itself primarily responsible for pursuing a labour market policy which acts as a guide for such models of skill distribution, but is intimating even now that it would like to abandon the Training Opportunities Programme developed for this purpose in the past and to invest the money in continuing training facilities in private industry, which it considers responsible for this area. It should be noted at the beginning of this report that this is in principle a prospect which leaves no room for a government policy of reintegrating adults with the aid of continuing training. The report will therefore have to concentrate on showing what approaches have been adopted in the past, how they have been used in the attempt to integrate the unemployed into the labour market and why the government believes it must abandon these approaches in the manner described here.

2 The history of the British labour market and continuing training policies

Historically, the British labour market and continuing training policies are in many ways similar to those of other Member States, notably the Federal Republic of Germany and France. Until the early 1960s British labour market policy tended to be largely reactive, concentrating, after the experience of the world economic crisis in the 1930s, on influencing the demand for labour by fiscal means and central bank policy (by controlling the volume of investment and consumption). In the United Kingdom, as elsewhere, this reactive, demand-related labour market policy was adjusted in the 1960s and supplemented by an increasing number of instruments of an active labour market policy, which is also concerned with the quantity and quality of the supply of labour. This is of special historical importance in the case of the United Kingdom because, although post-war development had seen the introduction of a set of social policy instruments of a welfare-statist nature, which made the government responsible for safeguarding against a relatively large proportion of the risks involved in the reproduction of labour and of the costs involved in this process, the reproduction of occupational skills was characteristically not included at first. Until the early 1960s the British initial and continuing training system was largely an intraindustrial system financed by individual companies for the training of young and adult employees.

It was only in the early 1960s that politicians in the United Kingdom became increasingly aware that this intra-industrial initial and continuing training system was resulting in the sub-optimal training of employees, and this eventually led to the passing of the Industrial Training Act in 1964. Since then numerous analyses have been made of the poor quality of the in-company training system with its pronounced external effects, the conclusion being that the low level of skills in the British labour force due to structural factors is to blame both for the trend in economic growth in the 1960s and 1970s, which at times was below that of comparable countries, and for the difficulties now being encountered in overcoming the high unemployment rate (PRAIS, 1961).

This debate finally resulted in the 1964 Industrial Training Act and the establishment of 23 Industrial Training Boards (ITB). Their task was to introduce a sectoral levy system to finance training outside individual companies and also to improve the quality of initial and continuing training by providing guidance and laying down training standards. This first step by the government to regulate the distribution of costs and quality standards governing training measures was largely left to the two sides of industry (employers and trade unions) although the negotiating forum (ITB) was subject to government control. This relatively cautious attitude on the part of the government, which merely attempted to lay down the institutional guidelines, was abandoned with the passing of the 1973 National Employment Act, which provided for direct action by the government and for the direct involvement of the authorities in the training and distribution of the supply of labour. The most important body set up under the National Employment Act was the Manpower Services Commission, a central public organization with regional offices responsible for ensuring the placement of labour and for training workers or arranging for their training. For the first time in British history the state thus claimed the right to make a material contribution to the reproduction of labour by providing information, guidance and training. The relevant department of the Manpower Services Commission performs the following main tasks: coordinating the activities of the Industrial Training Boards, advising on in-company training measures and preparing, coordinating and evaluating training courses run by the Manpower Services Commission itself at the 69 skillcentres (MSC, 1981a). For the training of adults the main feature of this institutional arrangement is the Training Opportunities Scheme (TOPS), which has been used in a wide variety of forms initially to eliminate shortages of skills and increasingly, in later years, in attempts to reintegrate the unemployed into the labour market. The Manpower Services Commission and the Training Opportunities Scheme in particular are similar in many respects to the 1969 Labour Market Promotion Act in the Federal Republic and the 1971 Act in France. The Training Opportunities Scheme clearly reveals the goal of supporting labour market policy with continuing training in that it attempts to make the qualification structure of the labour force flexible or to adapt it to current demand through the further training or retraining of individual workers. It is thus in principle a skill distribution model that is dependent on the existence of actual demand for labour to act as a guide. This idea of skill distribution as part of active labour market policy appears to have encountered extremely serious difficulties as soon as demand began to slump.

This has not only led to the above-mentioned friction in the labour market but also resulted in the Manpower Services Commission's position under the British labour market policy no longer being absolutely unproblematical. There appear to be signs of a conflict between the Department of Employment, the government body actually responsible for the labour market policy, and the Manpower Services Commission, which must be regarded more as a management department. Unlike its Labour predecessor, the present Conservative government is obviously staking a great deal on the market's self-regulatory capacity and adopting the same attitude towards the training system. This led to the closure of a number of Industrial Training Boards in 1981 and to a an extremely restrictive policy on the financing of the Manpower Services Commission where the training of adults is concerned. In other words, the difficulty for Britain's active labour market policy and the continuing training it incorporates is that it must both prove itself in the face of a changed political strategy and develop new training schemes which not only adapt the structure of the labour force to a growing economy by means of a new distribution of skills but are also linked to measures designed to create jobs. This last point, which will be discussed in the last chapter, seems to have resulted in the development of new concepts within the Manpower Services Commission.

3 Economic development and the employment system

The trend in the British economy is characterized by a steep decline in the volume of production and the number of jobs in industry and specifically the engineering, textile and steel sectors, on which the country's economic development so long depended. In addition, various aspects of its monetary and financial policies and factors due to specific historical developements meant that the United Kingdom was hit earlier and harder by the changes in the world economic division of labour than other Member States, with the result that, reviewing the situation in the summer of 1982, it could almost be said that the structural decline in the volume of employment to the level now being reached in the rest of the Community occurred earlier in Britain. However, Britain's economic situation differs fundamentally from that of the rest of the Community in that it is a producer and processor of North Sea oil. These new sources of energy, to which no other Community country has access, have provided a specific positive incentive for economic development in Britain and especially Scotland.

Overall, employment in the United Kingdom has nonetheless gradually declined as these developments have occurred. The economic recession has become particularly severe since the brief recovery in 1979, some 2 million jobs having been lost in Britain since the end of that year. This has affected the various sectors of the economy to varying degrees. Of the 8,880,000 jobs in manufacturing industry (the secondary sector) in December 1979, for example, 795,000 had been lost by December 1980, compared with only 250,000 of 13,120,000 jobs lost in the far larger service sector in the same period. In other words, the decline in employment has chiefly affected the industrial segment of the labour market and specifically those sectors whose import and export activities mean they are directly involved in international competition, which cannot be said of the service sector, since most of its services are provided at local and national level.

In early 1982 unemployment topped 3 million, equivalent to 12.7% of the labour force. From the data available, which only cover the situation in 1981, the following can be said about the structure of unemployment:

(a) The distribution of unemployment among the various age groups in the United Kingdom has become more extreme with the persistence of unemployment as a whole. In 1980 and 1981 the unemployment rate among 18-year-olds was, at 11 and 19% respectively, well above the average unemployment rate. The same can be said of the 18-19 age group (10.5 and 17%) and the 20-24 age group (9 and 15.4%). This situation is due not only to the arrival in the labour market of the products of the years when birth rates were high but also to a personnel policy pursued by the employers and tolerated by the trade unions which protects those now in employment against competition from new applicants and especially beginners with no experience.

(b) Another basic feature of unemployment in the United Kingdom is its extreme regional variation. In general, it can be said that Wales, Scotland and the Midlands have been particularly hard hit, while the South and South-west have so far been left relatively unscathed. This regional disparity is associated with different industrial structures, of which it can be said that the country's traditional industrial areas are the North and West, while the service companies and industrial firms using new technologies are concentrated in the South and South-east, i.e. near London.

(c) In the distribution of unemployment by sex, the United Kingdom appears to differ somewhat from other Member States, since, at slightly more than 25% of the total, unemployment among women seems relatively low. It can be assumed that this is mainly due to the rapid decline in traditional industrial production, an area in which the labour force largely consists of men. Sectors in which women are typically employed, chief among them the service sector, have so far been relatively less affected by unemployment.

(d) The average time individual workers remain unemployed has fluctuated in recent years. While the rise in total unemployment was rapid, the long-term unemployed (out of work for more than 12 months) even accounted for a decreasing proportion of the total, down from 20% in January 1980 to 18% in January 1981, for example. As structural unemployment continues, however, the percentage of the long-term unemployed is expected to rise steadily: from January to September 1981, for instance, the long-term unemployed increased in number from 430,000 to 750,000, and the figure is expected to exceed 1 million in 1982, with a reduction unlikely in the long term.

4 Preventive continuing training schemes in the United Kingdom

The British continuing training system was designed in the early 1970s as a flexible system linked to the active labour market policy for the distribution of new qualifications. A special role was played by the TOPS programme since it was able to adjust flexibly to the qualification requirements of individual companies, regions and, above all, individual adults.

TOPS' main task was to provide training or further training courses for already highly skilled workers and training courses in industrial and craft occupations for those who had not reached this level during their initial training. In other words, TOPS was, among other things, a means of compensating for the deficiencies of the British system of in-company initial training. In this last respect, TOPS was resisted by the British trade unions, who felt it weakened their position as controllers of the supply of labour, calling those who took TOPS courses 'dilutees'.

The MSC's training programme has since been continually curtailed, from £314m in 1980/81 to £234m in 1984/85 (planned). Within these total figures, funds for the schemes run by the MSC itself, which form part of the TOPS programme, have been reduced from £213m to £176m, while the financial assistance granted to the ITBs has been almost halved (from £99m to £56m). It should be pointed out, however, that the MSC itself planned this last cut and that in the white paper quoted above the government calls for a reduction in spending on TOPS to enable these payments to individual industrial companies to be increased. While the MSC's spending on these training services will be reduced in the long run, significant increases are planned for programmes devoted to the training and placement of young people (YOP), expenditure on which will rise from £185m to £280m if the MSC has its way. Spending on schemes designed to create jobs for adults would also rise. However, it is clear even now that the present government will not agree to these job creation programmes at the planned rate of expansion from 30,000 places under the CEP to 60,000 in 1982. Furthermore, the people concerned will be employed for a maximum of six months and the employment programme will be primarily geared to local firms.

According to members of the MSC's staff, these CEP schemes are all that the MSC has to offer to unemployed unskilled men. It is believed that their main effect will consist in giving the unskilled unemployed some stability by keeping them in contact with work situations.

Under a special scheme forming part of the CEP and costing £8m the attempt is made to use such short-term employment to bring together people who have been unemployed for long periods and to encourage them to set up small firms of their own. Cooperatives of this kind appear to be failing at present because the people concerned lack the necessary organizational skills. In general, CEP schemes are regarded as very problematical, since the target groups have a very low level of occupational and social skills, which prevents them from seizing opportunities that arise. MSC experts blame this on the British training system, which leaves a fairly large percentage of employees without systematic training. This hampers later efforts to reintegrate them into the labour market with training measures.

Where unskilled workers are concerned, the contention is that, given the specific situation in the United Kingdom, the aim at present should be not to improve their qualifications but above all to create jobs and employment opportunities. It is argued that the main purpose of TOPS is to improve the qualifications of workers who are already skilled, this being in line with the policy of the present government, which supports the financing of continuing vocational training primarily for economic reasons, but is opposed to the use of continuing training facilities to accommodate the unemployed or as a socio-psychological support measure. Nor, the argument continues, can the MSC entirely evade this government policy since, as a placement authority, it competes with private placement organizations and cannot therefore afford to restrict its clientele entirely to unskilled workers. The MSC is therefore clearly under pressure to be efficient, as the government defines the term, and this makes it difficult to use continuing training for social purposes.

The members of the MSC's staff interviewed also pointed out that, even when the unskilled remained unemployed for long periods, they still had to compete for assistance with other problem groups in society, who included, in the United Kingdom, firstly, the handicapped and, secondly, the ethnic minorities, who had some political pull, and women. The British continuing training policy must therefore by judged at present by criteria of economic efficiency and political expediency, to which criteria relating to social justice took second place.

MSC experts believe that the predominantly male, unskilled, long-term unemployed are now in a more or less desperate situation, which cannot be rectified by continuing training. The causes of this desolate situation are regarded as being not only the current factors mentioned above but above all the fact that the British training system leaves this group of workers so unqualified that a continuation of training in later life seems virtually impossible. This would appear to indicate that the 'alternance principle' is failing because of the structure and deficiencies of the initial training system, the British situation clearly revealing how this principle could in theory be applied to reintegrate the unemployed into the labour market.

A practical scheme outlined in the new programme (not yet published) drawn up by the MSC in response to the present government policy is a combination of training and job creation programmes, an organizational consequence of the past failure of an employment policy geared entirely to training. This indicates a structural change in the definition of the function of continuing vocational training and the position it occupies within the government's labour market policy. Hope has been abandoned of controlling the labour market largely by training the supply of labour. Instead, programmes in which actual jobs are created and workers are then trained to do them are gaining ground.

Such approaches are to be found in local employment programmes, which are financed through the MSC. But they are also to be found in Scotland's community education schemes, which are no longer geared to the re-creation of jobs in the industrial sector but to those groups of the long-term unemployed who see no chance of finding a place in the labour market. In these schemes, which are implemented at urban district level, the attempt is made within the area of reproduction (education of children, shopping, renovation of flats and houses, leisure activities, looking after the elderly, etc.) to develop cooperative structures in which adult training is then used to meet specific qualification requirements.

Such conventional schemes as continuing training in traditional craft occupations for Sheffield steelworkers threatened with redundancy are viewed with considerable scepticism. Experts believe there is very little chance of people who have undergone such preventive continuing training finding new jobs, blaming both the poor labour market situation and the policy of the trade unions, who are opposed to this kind of skill training for adults.

CASE REPORT ON THE
FEDERAL REPUBLIC OF GERMANY

1 The labour market trend

The trend in the Federal Republic's labour market has been characterized by a persistently high level of unemployment since the mid-1970s. Since the unemployment figures doubled in 1974 and again in 1975, when they exceeded one million for the first time after the elimination of post-war unemployment, there has been no sign of the tense situation in the labour market easing. With unemployment now approaching the two-million mark, it is clear that the decline in registered unemployment from 1977 to 1979 was no more than a brief interlude in an otherwise upward trend.

This trend is the result of changes both within the structure of supply and demand and between these two factors in the last decade. While the supply of labour in the 1960s was so limited that employers began to recruit foreign workers and the structure revealed shortages of skills, which publicly assisted continuing vocational training under the Employment Promotion Act and other measures were designed to eliminate, the problem since the mid-1970s has been a growing imbalance, or surplus of supply, in the labour market.

On the supply side this has been caused by the growth of the labour force. On the demand side there is also a tremendous shortage of jobs: the restructuring of the Federal German economy in the 1970s made more workers redundant than the economy was able to reabsorb. In other words, expanding branches of the economy are no longer able to employ workers who become redundant in declining branches and sectors, especially as general economic growth no longer implies - as it was possible to assume in the 1960s - an immediate increase in demand for labour and growth of employment.

In the following we describe the background to the labour market and continuing training policies as revealed by the structural data on the supply and demand sides of the labour market.

1.1 The supply side of the labour market

1.1.1 Demographic data

The resident population of the Federal Republic of Germany has been declining since 1974, after rising continuously since the end of the Second World War: in 1974 62m people were living in the Federal Republic, in 1980 61.5m. According to surveys conducted by the Federal Statistics Office, however, the number of gainfully employable people rose by about 400,000 in the same period. It is therefore assumed from these data that there were 27.64m gainfully employable people in the Federal Republic in April 1980. The labour force thus comprises 44.9% of the total population. Compared with 1974, this is an increase by 1% (STATISTISCHES JAHRBUCH, 1980, p. 93).

The explanation for the slight rise in the number of gainfully employable people while the resident population is diminishing is similar to that given in the case of Denmark and the Netherlands, the main factor being an increase in gainfully employable women while the male labour force has remained constant. In percentage terms, this meant an increase in women as a proportion of the total labour force by 1% to 37.9% from 1974 to 1980.

As regards the trend in the ratio of the self-employed (including members of their families assisting them) to wage and salary earners in the working population, the constant decline in the number of self-employed persons that began in the 1950s continued in the 1970s and the early 1980s without a check (see STATISTISCHES JAHRBUCH, 1982, p. 94): from 4,063,000 in 1974 to 3,429,000 in 1981. The self-employed and members of their families assisting them thus accounted for 13.4% of the working population (excluding the unemployed) in 1981.

By comparison, what can be said about the trend in wage and salary earners is less conclusive. They vary in number with the trade cycle. The record level of 22.5m in 1973 has not been reached since. The number of wage and salary earners fell to 21,233,000 in 1976, the lowest level for the 1970s. According to provisional estimates by the Federal Statistics Office, there were slightly more than 22m wage and salary earners in 1981.

1.1.2 The scale of unemployment

As the number of wage and salary earners has fallen and risen, so the level of registered unemployment has risen and fallen in inverse proportion. The numbers of wage and salary earners and of the unemployed are two quantities which (ceteris paribus) are, or tend to be, complementary.

The scale of registered unemployment against the background of the quantitative trend in the number of wage and salary earners since 1972 is shown in Table 12 below. The most striking feature revealed by this table is the sharp rise in registered unemployment from 1974 to 1975, when the number of unemployed doubled, exceeding one million for the first time since the post-war unemployment of the 1950s. Unemployment remained at this level until 1977. In 1978 a slight downward trend began, bringing the number of unemployed back down below one million. The early 1980s, however, again saw a serious deterioration in the labour market situation. In 1980 the unemployment figure again rose above one million, and in early 1982 it was approaching two million (not seasonally adjusted).

Table 12 Numbers of wage and salary earners and persons registered as unemployed since 1972 (average for each year)

Year	Employed persons ('000)	Unemployed absolute ('000)	Total %
1972	22,360	246	1.1
1973	22,500	273	1.2
1974	22,092	582	2.6
1975	21,329	1,074	4.8
1976	21,233	1,060	4.7
1977	21,296	1,030	4.6
1978	21,556	993	4.4
1979	21,954	876	3.8
1980	22,242	889	3.8
1981	22,035	1,250	5.4

Source: Jahresgutachten 1981/82 des SACHVERSTÄNDIGENRATES zur Begutachtung der gesamtwirtschaftlichen Entwicklung, p. 61

The two policy measures relating to flexible retirement age and the policy on foreigners have thus enabled the imbalance between supply and demand in the German labour market to be kept within comparatively reasonable limits. It is not least this which explains the favourable unemployment rates in the Federal Republic in the second half of the 1970s compared with other countries.

1.1.3 The structure of unemployment

The fact that in the early 1980s employees with the 'normal' productive capacity and characteristics that in the 1970s correlated with a relatively favourable position in the labour market are swelling the ranks of the unemployed at above-average rates of increase does not call into question the empirical validity of the observation made during the debate on the labour market no later than the mid-1970s that certain groups in the labour market are exposed to an above-average risk of job insecurity and unemployment. As the various data on the structure of unemployment show, the rates of increase among people hitherto in a relatively favourable position in the labour market do not prove that the 'problem groups' have a better chance of reintegration. As the level of unemployment rises, it is, of course, true to say that the chances of all groups in the labour market become less favourable, but it cannot be inferred from this that there is a levelling of the opportunities open to the various groups. Past experience indicates in fact that a cyclical recovery will be accompanied by a continuation of the structuring trends of the 1970s.

As we have shown earlier in this study, the process of the unequal distribution of opportunities in the labour market is dictated by mechanisms of social selection geared to the stability and maintenance of the performance principle inherent in western industrial societies. In this respect, the differentiation and assessment - which can be explained if a sociological view is taken of the labour market - of the labour force theoretically available to an economy by reference to performance-related and ascriptive features illustrate those processes of assessment related to the labour market and occupational roles by the institutions of the employment and labour market system which are reflected, on the one hand, in the exclusion of individuals from the employment system and, on the other, in the selection decisions companies take under their personnel policies when recruiting from among unemployed applicants. In any process of dismissing and recruiting employees, the overall social problem of a surplus of supply in the labour market has an above-average effect on groups of workers to whom qualities which restrict performance and occupational roles can be ascribed. Such ascriptive features are, firstly, those which are relatively easy to implant in the social consciousness with the aid of cultural prejudice (e.g. through campaigns in the media), secondly, those which dispute the ability of the people concerned to play a useful and stable occupational role and, thirdly, those which seem most likely to be accepted by the majority of the employed and the organizations representing their interests as a realistic strategy for tackling the imbalance in the labour market. The actual link forged between the ascriptive qualities of certain categories of workers and a supply of labour that exceeds demand is designed to ease the burden on the labour market by forcing marginal groups of employees into ways of life outside the labour market and into socially 'acceptable' alternatives to continuous employment. When the labour market and social action are seen from this angle, it seems plausible and cheaper for the state-financed social security system for working women to become housewives and mothers or for older unemployed people to become pensioners.

The breakdown of unemployment from 1977 to 1981 shown in Table 13 by demographic and occupational/social structural features should be interpreted against this background. Quite generally, it reveals that the problem groups as a proportion of all unemployed persons have tended to increase in both absolute and, for the most part, relative terms as the labour market crisis has continued.

The distribution of opportunities in the labour market by sex provides the clearest evidence of this trend.

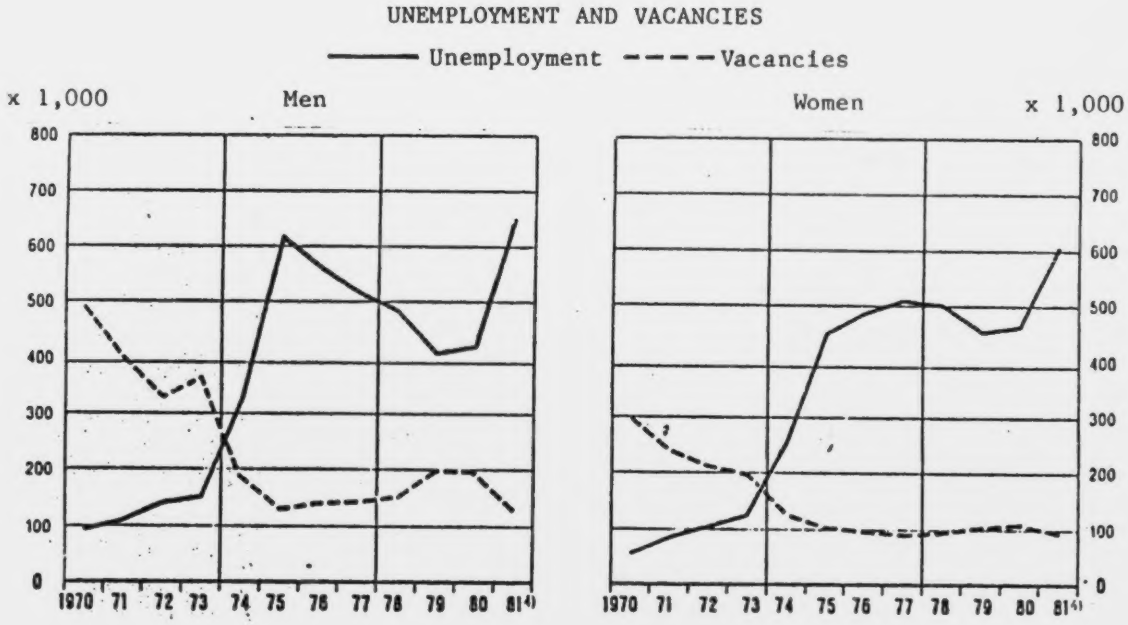
As the two charts in Figure 1 show, the decline in unemployment after the 1974 recession began much later among women than among men. Furthermore, it was far less pronounced. This trend resulted in a steady rise in the proportion of unemployed women until 1979 (when they accounted for 57% of total unemployment). Only when the unemployment figures began to rise again in 1980, did the ratio change in favour of women. In December 1981 about 50% of the unemployed were women. This does not, however, mean that the number of unemployed women fell. It simply means that the rise in unemployment among men was steeper in late 1981/early 1982 than the rise in unemployment among women.

Table 13 The structure of unemployment

Unemployed persons	September									
	1977		1978		1979		1980		1981	
	'000	%	'000	%	'000	%	'000	%	'000	%
Total	911	100	864	100	737	100	823	100	1256	100
Men	424	46.6	389	45.0	317	43.0	369	44.8	616	49.0
Women	487	53.4	476	55.0	420	57.0	454	55.2	640	51.0
Nationality										
Germans	827	90.7	774	89.6	659	89.5	722	87.7	1077	85.8
Foreigners	84	9.3	90	10.4	77	10.5	101	12.3	179	14.2
Training										
completed	426	46.8	394	45.6	344	46.7	379	46.0	.	.
not completed	485	53.2	470	54.4	393	53.3	444	54.0	.	.
Occupational status										
Skilled workers	117	12.9	114	13.2	94	12.7	109	13.2	.	.
Non-skilled workers	413	45.3	406	47.0	340	46.1	392	47.6	.	.
Salary-earners										
senior	246	27.0	219	25.3	193	26.2	205	24.9		
others	135	14.8	125	14.5	110	15.0	117	14.2	.	.
Working hours wanted										
full-time	732	80.4	686	79.4	581	78.9	660	80.2	1045	83.2
part-time	179	19.6	178	20.6	155	21.1	163	19.8	211	16.8
Disabled	244	26.8	254	29.4	250	33.9	265	32.2	.	.
thereof seriously handicapped	46	5.0	55	6.3	61	8.3	67	8.2	89	7.1
Length of unemployment										
under 1 month	146	16.0	136	15.7	122	16.6	145	17.7	.	.
1 to under 3 months	233	25.6	217	25.1	186	25.2	226	27.5	.	.
3 to under 6 months	165	18.1	154	17.8	135	18.3	153	18.6	.	.
6 to under 12 months	199	21.8	183	21.1	147	20.0	158	19.2	.	.
1 to under 2 years	106	11.7	98	11.3	85	11.6	79	9.6	.	.
2 years or more	63	6.9	77	9.0	61	8.3	61	7.4	.	.
Age groups										
under 20	106	11.6	92	10.6	69	9.3	81	9.9	133	10.6
20 to under 25	162	17.8	154	17.8	124	16.8	144	17.4	.	.
25 to under 35	232	25.4	217	25.2	181	24.5	207	25.1	.	.
35 to under 45	169	18.6	157	18.2	129	17.5	143	17.4	.	.
45 to under 55	135	14.8	128	14.9	111	15.1	121	14.7	.	.
55 or older	108	11.8	115	13.4	123	16.7	128	15.5	.	.
thereof 59 or older	43	4.7	43	5.0	61	8.3	64	7.8	81	6.4

Source: Jahresgutachten 1981/82 des SACHVERSTÄNDIGENRATES, p. 65

Figure 1



Source: Jahresgutachten des SACHVERSTÄNDIGENRATES 1981/82, p. 64

Further evidence of structural discrimination against women is provided by the unemployment rates for the two sexes. Since the early 1970s the unemployment rate for women has constantly been above the general unemployment rate, with the gap tending to widen.

Like sex, age is an ascriptive feature used to identify problem groups in the labour market. The intensive public debate on the phenomenon of youth unemployment, which emerged in the Federal Republic in the early 1970s, has concealed the difficulties encountered by older workers in the search for jobs. Despite the decline in total unemployment from 1977 to 1979 due to a slight economic recovery, the proportion of unemployed workers aged 55 or more rose from 11.7 to 16.9% in the same period. They also increased in number.

The third ascriptive characteristic of problem groups is nationality. Unemployed foreigners accounted for about 15% of total unemployment in 1981, when the specific unemployment rate in 1981 was over 8%, some 2% above the previously highest rate reached in 1975. Like the unemployment rate for women, it has constantly been higher than the average rate of total unemployment.

An analysis of the distribution of unemployment by training as a criterion related to the labour market produces the following picture: unemployed persons who had not completed their vocational training exceeded those who had completed their training by an average of some 7% in the second half of the 1970s, the figures for the various years hardly varying from the average.

Among blue-collar workers, skilled workers consistently have better employment opportunities. Although the proportion of unemployed skilled workers rose slightly until 1980, non-skilled workers were by comparison far more likely to be unemployed. In 1980 skilled workers accounted for 13.2% of total unemployment, non-skilled workers for 47.6%.

Unemployed white-collar workers differed from unemployed blue-collar workers in the 1970s with respect to their qualifications. Although the proportion of unemployed white-collar workers in senior positions fell from 27% in 1977 to 24.9% in 1980, it was still far higher than the proportion of unemployed white-collar workers in lower positions, which, at 14.2% in 1980, had hardly changed since 1975.

1.2 The demand side of the labour market

In its 1981/82 annual report, the Board of Experts for the Assessment of Overall Economic Trends divides the whole of the economy into six sectors. The trend in the number of the gainfully active, or wage and salary earners, in the various sectors reveals the main features of the trend in demand in the Federal Republic's labour market:

- In agriculture, forestry and fisheries, a sector with a high level of self-employment, gainful activity has been declining steadily since 1960. It had shrunk by more than half by 1980, when only 1.5m people were still working in this sector. Employment for wage and salary earners also fell by almost half, leaving only 260,000 employees in 1980.

- In goods-producing industry employment opportunities increased until the early 1970s. However, the number of jobs offered to workers fluctuated between 11.5m and 12.2m until that time, the latter figure being reached in 1970. By 1977 it had fallen to 10.5m, rising again slightly to 10.8m by 1980. With the renewed economic downturn in 1981, this sector in particular suffered a serious decline in employment.
  If this sector is divided into (1) energy and water supply, (2) manufacturing and (3) construction, it is found that there has been a constant decline in employment opportunities in the first of these branches, while employment figures in the second and third branches rose steadily until 1970, with cyclical setbacks, but also fell steadily thereafter. Of this sector of

the economy as a whole it can be said that employment opportunities in industrial production have been on the decline since the early 1970s.

- In the trade and transport sector, the number of wage and salary earners has fluctuated with the cyclical trend. In 1960 it employed 3.6m people. In 1973 the number of people employed in this sector reached the record level of 3.9m. In the second half of the 1970s the number fell, but almost reached the 1973 level in 1980. Here again 1981 marks a turning point.

- In the service sector, jobs have increased steadily, the number of employees having risen by about a million to 2.6m since 1960.

- Jobs in the public sector have also increased constantly. In 1980 it employed 3.8m people, 1.7m more than in 1960.

- The last branch of the economy listed by the Board of Experts consists of private (non-profit) organizations. In 1960 these organizations employed 760,000 people. The figure had fallen to 640,000 by 1970 but again reached the 1960 level in 1978, and in 1980 this sector employed 800,000 people.

To summarize, the trend in demand in the labour market can be described as follows:

Up until 1970 the public sector, service companies and manufacturing industry were able to absorb workers made redundant in the other sectors. This trend ceased with the cyclical downswing in the mid-1970s. Even in the early 1970s manufacturing industry was unable to perform this function as employment fell in this sector.

Although jobs continued to increase in the public and service sectors until 1980, the declining growth rates were not sufficient to compensate for the constantly growing numbers of redundancies. The secondary and tertiary sectors of employment reached the limits of their capacity to take on more workers. The modernization of the economy in the 1970s to meet the challenge of international competition resulted in workers being made redundant in numbers which the public and service sectors were no longer able to absorb.

2 Overview of continuing training related to the labour market and the institutionalized areas of the continuing vocational training system

The two main pillars of the continuing vocational training system in the Federal Republic of Germany emerged in the 1960s in response to technological change and the consequent structural changes to the economic system. Both in-company continuing training and the government's employment policy were used in the attempt to solve the structural problems in the labour market, on the one hand, by enlarging the labour force (through the recruitment of women and foreign workers), on the other, by adjusting skill levels to changing qualification requirements with the aid of continuing training.

Even before labour began to grow scarce after post-war unemployment had been eliminated, companies had introduced retraining and continuing training schemes with a view to meeting their demand for skilled workers.. After the Berlin Wall had put a stop to the flow of skilled workers from the GDR and aggravated the shortage of labour, the scale of continuing training in and organized by companies gradually increased. Employers were thus largely able to meet the demand for skilled workers brought about by the processes of change in technology and the organization of work.

Although the government's continuing training policy was certainly designed to support this process, its primary objective was to prevent inequality of opportunity due to structural, cyclical and demographic factors (see BIANKENBURG et al., 1976, p. 257).

With the promulgation of the Employment Promotion Act in 1969, continuing vocational training joined the improvement of placement activities as a central component of the government's labour market policy. This is reflected in section 5 of the Act, which gives priority to placement activities and the promotion of vocational training and continuing training over arrangements to compensate for loss of wages. The state is thus requireed to adopt an active and anticipatory approach to prevent restructuring processes in the economy from causing social inequalities.

This goal was formulated at a time of a shortage of labour and sweeping structural changes in various sectors of the economy. In this respect, adult training schemes formed the conceptual focus of an active labour market policy designed to satisfy both the need to control the economic system where labour was concerned and social policy requirements. Even in its original form the Employment Promotion Act thus provided for schemes for certain target and problem groups in the labour market, such as non-working women, older workers and the handicapped, so that they might take up or return to work on a permanent basis. For the vast majority of the working population at the time of the establishment and initial implementation of the statutory employment promotion policy, unemployment was, if anything, a short-term alternative to employment for which, in view of the confidence in long-term economic growth, continuing vocational training schemes had not been designed.

This initial situation underwent a fundamental change with the slump in the mid-1970s. Unemployment became a mass phenomenon. The basic problem for the labour market was a shortage of jobs, as the Federal Employment Institute pointed out in its 'Second set of reflections on an anticipatory labour market policy' in 1977. The situation has become even worse since then. As unemployment has not fallen below 800,000 since 1975 and almost reached two million in January 1982, there can be no more talk of a short-term gap in supply, to quote from the above-mentioned reflections of the Federal Employment Institute.

Since the mid-1970s the primary goal of the government's labour market policy has been to accelerate the reintegration of the unemployed into working life with the aid of continuing vocational training. The extent to which this goal can be achieved with continuing training, an instrument that is really designed for an anticipatory labour market policy, is one of the subjects dicussed in the following.

2.1 The scale of continuing vocational training

Information on participation in continuing training, however it may be institutionalized, can be obtained from three sources in the Federal Republic: the investigations made by the Federal Statistics Office during its microcensus, the investigations of the Federal Employment Institute into careers and the structure of qualifications and the reports on continuing training published by Infratest Sozialforschung.

The microcensus revealed that an annual average of some 628,000 people attended continuing vocational training courses in 1976 and 1977 (see HOFBAUER, 1981).

According to the investigations conducted by the Institute for Labour Market and Occupational Research of the Federal Employment Institute, an annual average of 871,000 people took part in continuing vocational training schemes from 1974 to 1979 (see BUNDESANSTALT FÜR ARBEIT, 1980).

Both statistical sources base their definitions of continuing vocational training on the criteria laid down in the Employment Promotion Act (the strict definition of such training). Consequently, despite their similarity in respect of target groups and participants, schemes run by companies or other bodies are not recorded.

This deficiency is made good in the approach adopted by Infratest Sozialforschung, whose reports cover all continuing vocational training activities (see INFRATEST SOZIALFORSCHUNG, 1980). They present data collected in a representative survey, during which respondents provided information on their participation in continuing vocational training by reference to a predetermined definition of continuing training that ranges from publicly assisted retraining schemes and in-company continuing training courses to evening courses and individual courses at adult education centres (the loose definition of continuing vocational training).

When asked whether they had attended a continuing vocational training course in the twelve months preceding the survey (mid-1979), 15% of those interviewed answered 'yes'. An extrapolation of this result produces a figure of 3.2m for the period from mid-1978 to mid-1979. As a statistical average, all the interviewees had attended 1.7 courses, giving an extrapolated attendance figure of 5.4m.

2.2 The continuing vocational training system

Reference has already been made above to the two most important parts of the continuing vocational training system, publicly assisted continuing vocational training schemes governed by the Employment Promotion Act and in-company continuing training, which represent the two extremes of institutional support for continuing vocational training.

Statutory provisions are the furthest-reaching form of institutional support in the Federal Republic. Collectively agreed provisions - the third pillar of continuing vocational training alongside in-company continuing training - have less institutional support in this sequence.

Before the various forms of continuing training are described, we feel we should comment on how fully activities in this field are covered. In addition to the forms of continuing training described, the Federal Republic has a wide range of other activities, which are not considered here for the following reasons:

- Activities in the public sector, in which civil and public servants have a legal claim to continuing training, are ignored here because those concerned occupy crisis-proof positions and continuing training does not therefore help to prevent unemployment.

- It is not possible in this study to consider how far continuing vocational training is provided in accordance with the Constitution of Enterprises Act.

- Similarly, it is impossible to investigate the link between employment prospects and participation in continuing training courses at adult education centres, correspondence courses and other training offered by commercial enterprises.

Reference will merely be made to what has been in some respects a very intensive international debate on educational leave with an eye to the German debate and the present state of the statutory provisions, which we have outlined in the theoretical introductory section of this study (see pp. 76 f.).

2.2.1 Statutory provisions

Continuing vocational training based on the Employment Promotion Act represents the highest level of institutionalization in terms of clearly defined provisions on entitlement, conditions governing participation, sources of finance, subsistence allowances and the award of certificates. Various forms of continuing training are governed by the Act: vocational training, further vocational training, vocational retraining and in-company familiarization. It also contains provisions on continuing training in connection with vocational rehabilitation.

According to the above-mentioned survey by Infratest Sozialforschung, only about 7% of all continuing vocational training activities, involving some 200,000 people, were assisted under the Employment Promotion Act during the period covered by the survey.

The Federal Employment Institute, which monitors schemes assisted under the Act, keeps its own statistics on participants. However, as they stand, they cannot be compared with the Infratest Sozialforschung figures since only the numbers starting and completing courses are recorded.

The statistics of the German employment authorities show that courses of continuing vocational training were begun by 209,429 people in 1979 and 246,975 in 1980 (see p. 73).

Since 1975 there have been clear signs of a reorientation and a shift of emphasis in the assistance granted to continuing vocational training schemes under the government's labour market policy. While the total number of people beginning courses of continuing vocational training fell in the second half of the 1970s compared with 1975, the reference year (270,853 participants), familiarization and retraining gained in relative terms on adult training related to the labour market in the form of further training geared more to advancement. In the government's policy on assistance increasing importance has thus been attached to forms of continuing training which take place principally in companies or directly on the job. There would therefore appear to be some empirical justification for the view that responsibility for publicly assisted adult training related to the labour market is increasingly being transferred to the private sector.

2.2.2 Collectively agreed provisions

Leave of absence for continuing training purposes was provided for in 204 collective agreements signed in March 1977 (see GÖRS, 1978, pp. 63 ff.; KULTUSMINISTER DES LANDES NORDRHEIN-WESTFALEN, 1982, pp. 76 ff.). As a result, about 14% of employees in the Federal Republic are entitled to educational leave. The purposes for which educational leave may be taken are the subject of a wide variety of definitions. Continuing training in occupational skills is the main purpose.

The percentage of employees entitled to educational leave for training purposes varies from one sector to another. For example, while 97.3% of those who qualify for educational leave in the construction industry may take it for vocational training, a mere 8.9% of employees are entitled to such leave in the trade, banking and insurance sector.

The collectively agreed arrangements can certainly be regarded as a preventive continuing training measure, since the continuation of his contract of employment while an employee is attending a continuing training course assures him of further employment on completion of the course.

2.2.3 In-company continuing training

In-company continuing training takes various forms. Some companies (usually large ones) have their own continuing training agreements, which may be linked to in-company continuing training plans. In addition to these two more or less long-term organizational forms, there are continuing training courses necessitated by abrupt changes in organization and production. In-company continuing training does not mean that all the courses are actually held in companies but that it is organized and financed by a company for its own purposes. Consequently, in-company continuing training also includes participation in courses held at industry-wide training centres, provided that such courses take place at the instigation of a company.

According to the survey carried out by Infratest Sozialforschung, in-company continuing training accounts for about half of all participants in continuing training. This means that during the period covered by the survey about 2.5m employees were attending continuing training courses organized by employers.

In view of the tense labour market situation, we consider that, like continuing training governed by collective agreements, in-company continuing training has a preventive effect in that the contract of employment remains in force, thus guaranteeing the worker concerned employment on the completion of his training. However, as such training courses are geared to the company's own needs, they lessen the worker's chances of finding employment elsewhere in the labour market, which detracts from their preventive effect (see below).

3 Continuing vocational training related to the labour market as a subject for government labour market policy

3.1 Legislative basis and types of continuing training governed by the Employment Promotion Act

The legislation chiefly concerned with the implementation of labour market policy measures is, as explained above, the Employment Promotion Act. The various measures that have been taken and the changes made to the Act in recent years are discussed below.

The passing of the Employment Promotion Act led to the establishment of the Federal Employment Institute in 1969. Its task is to translate the various provisions of the Act into practical measures. This includes, for example, verification of claims for subsistence allowances in the event of unemployment, the payment of benefit and payments for short-time work. Besides these conventional tasks of compensating for losses of wages, the Institute is responsible for placement and occupational guidance. It also organizes or monitors continuing vocational training courses, a subject governed by the second part of the Act, which lists the following types of course:

(1) Vocational training

Section 40 provides for grants and loans to enable individuals to attend basic training and development courses, in which they are prepared for an occupation. The courses are principally intended for young school-leavers, but may also be attended by adults.

(2) Further vocational training

Further vocational training, which is governed by sections 41 to 46 of the Act, is designed to adjust qualifications and to permit occupational advancement. In addition to these two objectives, it seeks to help women to go back to work, to reintegrate older workers and to enable workers to catch up on vocational training.

(3) Vocational retraining

Sections 47 to 49 provide for transfers to other occupations by means of vocational retraining.

(4) In-company familiarization

The sections of the Act which concern action to help people to find employment provide for the subsidization of in-company familiarization (section 54) during which continuing training activities are undertaken. This measure is designed to benefit workers difficult to place under the normal conditions of the labour market. Companies receive subsidies if they are unable to finance courses of their own.

(5) Helping the handicapped to find employment (occupational rehabilitation)

The Act also calls for continuing vocational training schemes to integrate the handicapped. The criteria governing admission and assistance differ in this case, however.

3.2 Changes in the legislation on continuing vocational training

All the various types of continuing vocational training scheme listed above were provided for in the 1969 version of the Employment Promotion Act, and their basic legal and institutional structure has remained unchanged. However, the change in the labour market situation has been acompanied by various major changes in the actual assistance granted to continuing training schemes. This has largely been achieved by controlling the size and structure of the categories for whom continuing vocational training is intended through the continual amendment of both the requirements individuals must satisfy to attend recognized and institutionally assisted continuing training courses and the financial assistance granted to participants in such courses. All in all, this indicates that the German employment promotion and continuing training policies are pro-cyclical: since the labour market and employment crisis that began in 1974/75, the structure of the revenue and expenditure of the German employment authorities, ranging from operational payments (promotion of occupational mobility and adult training) to compensation for loss of wages (unemployment benefit and relief), has changed substantially. This has largely been due to the fact that insurance contributions under contracts of employment (employees' and employers' contributions) represent the principal source of funds. As their financial resources depend on the cyclical trend, the German employment authorities face the dilemma of having to be restrictive, i.e. pro-cyclical as regards the assistance granted to continuing training, at times when their own principles indicate that an active and expansive labour market policy would be appropriate.

Against this evaluatory background, the following comments on the various changes in the legislation relating to admission requirements and rates of subsistence payments for those attending continuing training courses become more plausible.

The requirements relating to admission to continuing vocational training schemes are set out in section 42. The Act passed in 1969 contains provisions which give almost all wage and salary earners access to both retraining and further training. Both types of training were open to anyone who 'is in employment which necessitates the payment of social insurance contributions' (section 42) or wishes to take up such employment. These very generally worded admission requirements were tightened up on 1 January 1976 with the passing of the Budget Structure Act, which made what was for the practical aspects of granting assistance a momentous distinction between continuing training that was 'necessary' for the purposes of the labour market policy and continuing training that was 'advisable'. Henceforth the higher rate of assistance of 80% of wages or salaries last received was paid only where continuing training was 'necessary'. Participants in continuing training that was not necessary for the purposes of the labour market policy and therefore only 'advisable' received assistance at a much reduced rate. In addition, the minimum periods of previous employment were increased. An applicant who had completed his initial vocational training now had to prove that he had been employed for three years, while those without initial training were required to have six years' previous experience before being admitted to further training or retraining schemes.

The Budget Structure Act was only partly successful in focusing attention on target groups in the labour market in particular need of training. As we will explain in the next section, although the proportion of unemployed participants increased, there was an initial significant decline in the number of all participants, including the unemployed. Nor did it prove possible to provide continuing training for sufficient numbers of the target group of special interest to this study, those who have not had initial vocational training and are therefore particularly at risk.

In view of these developments in the employment promotion policy as it concerned training, the Fifth Employment Promotion Act Amending Act provided a clearer definition of adult training related to the labour market, which in the light of the labour market situation had every chance of having a preventive effect: through the addition of paragraph (4) to section 44 of the Employment Promotion Act, the 'necessary' category of persons affected by or threatened with unemployment was now extended to give priority to

'1. the occupational integration of anyone who is unemployed,
2. the prevention of the unemployment of anyone directly threatened with redundancy,
3. facilities to enable anyone who does not have a vocational qualification to acquire one,
4. facilities to enable anyone to take up an occupation in which there is, or is likely to be in the foreseeable future, a shortage of workers in the labour market applicable to him; this provision shall apply only if the applicant is pursuing an occupation in which there is a shortage of workers in the labour

market applicable to him' (section 44 of the Employment Promotion Act).

Futhermore, the changes made to the Employment Promotion Act in 1979 are designed to take account of the implications and socio-motivational reasons for the aloof attitude of the unskilled unemployed towards continuing training (see BRÖDEL et al., 1976). The need for a suitably modified form of continuing training is reflected in the extension of the range of continuing vocational training related to the labour market through the addition of a new section to the Employment Promotion Act, section 41a, which provides for the participation of unemployed persons in schemes with the specific object of

'1. informing them on matters relating to the choice of jobs and opportunities for vocational training or
2. helping to maintain or improve the individual's ability to take on employment or to participate in vocational training schemes' (section 41a of the Employment Promotion Act).

The fifth amendment of the Employment Promotion Act led to greater concentration of the government's labour market policy on those who remain unemployed for long periods largely because of their poor qualifications, signifying a shift of emphasis in adult training related to the labour market from action centring on qualifications to social and integrative action. Attention in continuing training is now focused less on vocational training in specific skills than on dealing with individuals' problems and the introduction of occupational socialization processes for the target groups of the labour market policy where they are excluded from the system of socially sanctioned gainful employment.

As regards preventive effect, a number of criticisms must be levelled at this change in the labour market policy where it concerns adult training resources. For example, the price paid for the upgrading of training schemes for the unemployed and the increase in the number of participants has been a reduction in further training capacities. It can be validly asked whether this will not also remove the anticipatory element of an active option for labour market policy from the range of action open to the German employment authorities despite a by no means diminishing need for the restructuring of the economy. A further criticism is that the planning and implementation of these training schemes for the unemployed are suboptimal in pedagogical terms (see BRÖDEL, 1982).

The last amendment of the Employment Promotion Act in 1982, known as the Employment Promotion Consolidation Act, became necessary largely because of the Federal Employment Institute's worsening budgetary problems. In its 1981/82 annual report, the Board of Experts gives a very lucid explanation of the dilemma facing the German employment authorities, which they have tried to resolve with the Employment Promotion Consolidation Act:

> 'The Federal Employment Institute's considerable deficit and the government's financial constraints indicated the impossibility of adhering rigidly to the previous course, which was designed for an expansion of the preventive labour market policy. These two factors necessitated a reappraisal of the aims of the labour market policy. In this situation the Federal government decided to leave unemployment benefit virtually untouched but to make cuts in the preventive labour market policy' (p. 176).

It can thus be assumed that changes made to the employment promotion policy in 1982 will not be without structural repercussions for the scale of continuing training related to the labour market and for its pedagogical quality, which is already in great need of improvement. The various amendments incorporated in the new employment promotion legislation point in this direction, which has little in common with preventive goals (see HOPPE, 1982, pp. 33 ff., 67 ff.). With few exceptions, assistance is thus restricted to recipients of benefit and supplementary allowances from the unemployment insurance fund who attend continuing vocational training courses and rehabilitative measures. Most employed workers who want to better themselves through continuing training or by changing their place of work now receive assistance only in the form of loans. Further savings have been made by reducing the assistance granted to unemployed learners from 80 to 68% of their last wages and by lengthening the period in which assistance is not paid where, for example, 'reasonable' employment is not accepted. The introduction of more stringent rules on what constitutes reasonable employment, which in essence provides for the accelerated downgrading of the unemployed in five qualification stages, has been accompanied by an extension of the conditions governing 'reasonableness' to cover continuing training. In other words, an unemployed person must be prepared to attend a continuing vocational training course, a course to improve his employment prospects (see section 41a of the Employment Promotion Act) and a vocational rehabilitation course if the employment authorities believe that such courses are essential to his placement. For the first time, training has become compulsory: anyone seeking employment and thus drawing unemployment benefit must be prepared to go on learning or to be retrained. Also of interest in our study into preventive aspects is the relaxation, if not total abandonment, by the employment authorities of didactic principles in the administrative operationalization of the Employment Promotion Consolidation Act, since they no longer consider the input of didactic resources and the costs involved but call on the cheapest training institution to organize appropriate courses.

These comments on the changes in the employment promotion legislation concerning continuing vocational training related to the labour market provide a rough picture of the link between the cyclical and macroeconomic situation and the government's predominantly pro-cyclical policy of economies as it influences continuing training, particularly by varying the criteria governing admission and the allowances paid to those attending courses. It has been found that, as the labour market crisis that began in the mid-1970s has continued, the constant changes to the employment promotion legislation have resulted in public continuing training related to the labour market turning away from the more stable categories of employees, for whom further training programmes are principally designed, towards the unemployed and workers in immediate danger of losing their jobs. At the present stage of the debate, there is clear evidence of a preventive continuing training strategy, whose longer-term prospects of success do, however, depend to a not inconsiderable degree on the unstable financing bases of the German employment promotion policy, as the example of the Employment Promotion Consolidation Act has shown. Against the background of the interrelated economic, political and legal factors described here, we take an empirically closer look in the following at the structure of the aims of and participation in continuing training which is governed by the employment promotion legislation and is an acid test touchstone of the preventive effects of (German) labour market and continuing training policies.

3.3 The structure of participation

The following describes the participants in continuing vocational training schemes initiated under the employment promotion legislation with particular reference to the participation of the unemployed, the unskilled and women.

We thus discuss structural features which provide information on participation in continuing training by the 'problem groups', those hardest hit by the labour market crisis. The prospects of unemployed participants in continuing training being reintegrated into the employment system after they have completed their training, an important question in an assessment of the preventive effects of these training activities, will be discussed in the summary evaluation following this section.

A statistical overview of (previously) unemployed persons and participants without an initial vocational training certificate attending all the various types of continuing training related to the labour market (further training, retraining, familiarization and motivational/guidance training schemes pursuant to section 41a of the Employment Promotion Act since 1979) from 1970 to 1981 is shown in Table 14.

Table 14 Participants (new entrants) in vocational training schemes

	Total number of participants	Previously unemployed	Without initial training certificates	Female participants
		%	%	%
1970	170,166	11.3	20.1	23.9
1971	288,390	6.9	15.5	21.7
1972	260,285	6.4	14.4	20.7
1973	226,942	5.8	14.4	22.0
1974	232,597	16.2	17.8	26.0
1975	270,853	31.1	19.9	25.8
1976	151,527	32.9	21.9	26.3
1977	135,926	39.1	18.0	28.2
1978	175,227	43.5	18.1	30.2
1979	209,429	42.9	20.0	31.5
1980	246,975	43.3	31.2	32.5
1981	279,507	47.1	33.5	32.6

Source: Bundesanstalt, 1971 ff., Förderung der beruflichen Bildung, Ergebnisse der Teilnehmerstatistik

From the annual trend in the structure of participation it can now be seen how the proportion of (previously) unemployed participants in continuing vocational training constantly increased - despite fluctuations in the total number of participants - from the time the labour market crisis began in 1974/75. However, it also emerges that, despite the shift of emphasis to the unemployed and workers in immediate danger of losing their jobs in the assistance granted under the Employment Promotion Act, those who, because of the selection structures in the labour market, are least likely to be reintegrated into stable employment owing both to their backgrounds and to their position in the labour market continue to be underrepresented: the unskilled (without a certificate of initial vocational training), who account for over half of the unemployed and about one third of the German labour force, make up one fifth to one third of the participants. Similar comparisons can be made for the female members of the working and unemployed population, although the disparities are somewhat less pronounced.

The empirically justified scepticism with which the scale of the preventive effect of participation in continuing vocational training as a whole must therefore be treated is further confirmed by a closer examination of the various types of continuing vocational training courses. In 1979 it can be shown that the problem groups and (previously) unemployed participants were mostly to be found in continuing vocational training schemes which reveal particularly problematical evaluation values in pedagogical and didactic terms. Of the participants in further training courses, only 9.2% of whom did not have a certificate of initial vocational training in 1979 and 33.4% had previously been unemployed, 83% completed their continuing training (see BUNDESANSTALT FÜR ARBEIT, 1980, Förderung der beruflichen Bildung, Ergebnisse der Teilnehmerstatistik 1979). In contrast, about one third of participants dropped out of retraining courses, 38.6% of those beginning such courses in 1979 having no certificate of initial vocational training and 68.3% having previously been unemployed.

3.4 Summary evaluation

In its approach to a labour markeet situation that has changed substantially since 1974, the German labour market policy, which is essentially committed to an active and preventive concept, resorts to adult training schemes as it did under the conditions of economic expansion and a shortage of labour in the 1960s and early 1970s. Adult vocational training related to the labour market is being used at a time when jobs are growing scarcer in a way that can be described as a shift of emphasis away from training and towards social integration. This reorientation of adult training within the reference framework of labour market policy has been described at various, analytically separable levels in sections 3.1, 3.2 and 3.3: the legal foundations and administrative implementing provisions of employment promotion and labour market policy (the Employment Promotion Act), the various types of adult vocational training schemes and courses, and the structure of target groups and participants. Our analysis reveals various interrelated trends:

- The unemployed and target groups in danger of becoming unemployed are being assisted at the expense of a reduction in the dominance of groups of workers who are occupationally more stable and suffer less discrimination. Nonetheless, a breakdown of the unemployed by status and training shows that the marginalized groups and those who have been hit hardest and longest by unemployment are still underrepresented in continuing training.

- Of the various types of adult training related to the labour market, forms of training that take place in or near the company (retraining and familiarization) are gaining in importance within the structure of the government's labour market and continuing training policies as regards assistance granted (transfer of responsibility to employers for adult training governed by the employment promotion legislation).

- In view of the growing imbalance in the labour market, the existing instruments of adult training related to the labour market are being supplemented and expanded (information and guidance courses for the long-term unemployed under section 41a of the Employment Promotion Act).

It should also be pointed out that, as regards its status under the labour market policy in recent years, adult training has been under considerable strain from a financial and general conceptual point of view. Where the first of these aspects is concerned, the accent has largely been placed on a pro-cyclical increase in the funds available to the employment promotion policy and on a structure of resource utilization which, at time of growing unemployment, depresses the demand for operational services by the active and anticipatory elements of the concept of labour market policy in favour of the payment of compensation for loss of wages to members of society who become unemployed.

From a conceptual point of view, the second constrictive factor, the institutional pattern of labour market policy that centres on the Employment Promotion Act, being an approach primarily related to the supply side of the labour market, has not been sufficiently effective in dealing with the imbalance between supply and demand with a view to achieving the declared aim of full employment. If adult training is to be appropriate to the individuals concerned and to have an effect on the economy, it needs the support of employment policy initiatives and programmes that complement the structure of schemes forming part of labour market policy governed by the employment promotion legislation (see BUNDESANSTALT FÜR ARBEIT, 1978, Überlegungen II). This was realized by the German government in the 1970s and found expression in various special programmes implemented during the second half of the decade.

Against this background of an active labour market policy that is becoming on the whole more problematical the longer the labour market crisis lasts and is affected by structurual deficiencies of an institutional nature, the question that is decisive in the final analysis, and one that is motivated by our interest in the preventive aspect, is this: what effect does assistance which is increasingly being given to the continuing training of the unemployed have on their reintegration? HOFBAUER reports on this in his essay 'Untersuchungen des IAB über die Wirksamkeit der beruflichen Weiterbildung' (Investigations by the Institute for Labour Market and Occupational Research into the effectiveness of continuing vocational training) (1981). He bases his analysis on the statistics on participation in publicly assisted continuing vocational training and on representative surveys devoted to this subject. Some of his findings are briefly summarized below:

(1) The proportion of participants who were unemployed before beginning a continuing training course rose from about 33% in 1975/76 to 60% in 1979/80. Of those completing their courses between 1 July 1979 and 30 September 1980, 12% were unemployed on 30 September 1980.

(2) The unemployment rate on the completion of courses varies from one type of course to another:

Further training:	13.9%
Retraining:	16.1%
Familiarization:	2.0%

(3) The average duration of unemployment was reduced by 10.5 weeks in the case of participants in further training and by 12 weeks in the case of participants in retraining courses.

This information allows the conclusion that, by limiting the target groups of continuing vocational training measures in recent years, the labour market policy has been quite successful in improving reintegration.

However, an examination of all types of continuing training reveals that they have not put a stop to discrimination against women. Thus the unemployment rate among women after they have completed their course is on the whole some 2% higher than among men (men 11.3%, women 13%). In the case of further training the difference is similarly about 2%. On the other hand, women are better placed after retraining courses: here the unemployment rate for women was 14.3%, as against 17.3% for men.

The efforts to involve unskilled or less skilled workers in continuing training and to reintegrate them have been partly successful. The unemployment rate among participants who did not have an initial vocational training certificate and were registered as unemployed before beginning a course was 12.7% after they had completed their courses of further training, compared with 14.7% in the case of participants who had such certificates. Participants without an initial vocational training certificate who attended retraining courses were even more successful. Here the unemployment rate was 7.3% compared with 28.9% in the case of participants having such certificates.

Generally the most effective measure, as we have already mentioned, was familiarization, where only 2% of participants remained unemployed after completing the course. They included a large proportion of participants without an initial vocational training certificate.

Before further conclusions are drawn from the above findings for the formulation of continuing training strategies at a time when the labour market situation is characterized by a shortage of jobs, it should be remembered that the only correlation here is between participation in continuing training and subsequent employment and that causal inferences cannot therefore be drawn for the purposes of a critical macroscopic analysis. In this context, not enough attention has yet been paid to the theory derived from a sociological view of the labour market that continuing training results in fiercer competition for jobs.

4 In-company continuing training

As regards the preventive effect of in-company continuing training, it should be borne in mind that, as has already been mentioned, well over half of all continuing training consists of courses in or organized by companies (see also HOFBAUER, 1981, FAULSTICH, 1982, pp. 34 ff.). Before this aspect is considered, the origins, structure and the sociological status of the in-company organization of continuing training will be briefly described.

The greater concentration on independent and systematic in-company continuing training activities - especially in large companies - was chiefly prompted by the problems employers encountered in finding personnel in the external labour market during the period of full employment and the boom years of the 1960s. At this time the growing use of continuing training stemmed from an interest among employers in escaping the quantitative and above all skill-related constraints they encountered when attempting to recruit personnel outside the company. Besides being interested in a form of continuing training that was geared to the company's specific needs and thus to tying labour to the company in the long term, with particular reference to its leading lights and personnel essential to trouble-free production, employers resorted to non-institutional learning as a way of ensuring adherence to the principles underlying the company's activities and the satisfactory cooperation of loyal employees (see HARTMANN, 1979, SCHMITZ, 1978). As continuing training represents an investment by the company and is therefore subject to the economics of profitability calculations and personnel policies based on such calculations, participation in continuing training courses is not so much the consequence of decisions freely taken by interested members of the workforce as of a selection made by their superiors in the company (see BRÖDEL, 1979).

This factor and the long-term interest companies have in forming a cyclically stable core workforce shielded from incentives to move to other employers lead not only to various situations which cannot be reconstructed here (see SENGENBERGER, 1979) but also, with the passage of time, to a form of in-company continuing training which virtually excludes all unskilled and semi-skilled workers from the courses that are held. Thus the higher an employee's position in the company's hierarchy, the better his chances of participating in in-company continuing training. In other words, 'the promotion of continuing training focuses on "strong groups", i.e., key groups of employees who are, for the most part, already relatively well qualified and can be assumed to be fairly receptive, while "weak groups", such as semi-skilled workers, women and foreign workers, are neglected' (SASS/SENGENBERGER/WELTZ, 1974, p. 109). This conclusion is also confirmed by most of the more recent studies on the structure of participation in in-company continuing training (see, for example, THOLEN/WINTER, 1979).

In assessing the preventive effect of in-company continuing training, the first factor to be borne in mind, therefore, is that the very categories of workers most likely to be threatened by the discontinuity of technical, organizational and economic structural change and by cyclical trends in market processes are least likely to improve their ability to think and act through adult training. Even if this lack of symmetry between the structure of participation and the structure of the workforce in in-company continuing training is disregarded, aligning the content and application of such training with the company's specific needs would appear to have little in common with the essential aspects of preventive continuing training since it increases the risk of redundancy during an economic crisis (see BÖHLE/ALTMANN, 1972).

Despite these adverse implications for the transferability of skills outside a given company, in-company continuing training does have the edge on publicly assisted continuing training in three respects that can be classified as preventive: the worker's contract of employment remains in force while he attends a continuing training course (reducing the risk of employment not being found after the course is completed), participants continue to receive their wages and their life style is not restricted (no material risk), and the content and results of continuing training can be introduced into the company's area of activity (reducing the risk of skills not being utilized).

Notwithstanding these structural advantages of in-company continuing training and in view of the above-mentioned scale on which responsibility for continuing vocational training as a whole is being transferred to the employers, the question for the German labour market and continuing training policies, if the goal is an empirically tenable concept of preventive continuing training, must be whether and to what extent the preventive effect of continuing training can be improved through increased cooperation between the public and private bodies who finance and organize such training. An initial approach to this question is to be found in section 43(2) of the Employment Promotion Act, which provides for public assistance to be granted to companies for continuing training that is classified as necessary in labour market policy terms, where members of the workforce are threatened with unemployment.

5 The relationship between in-company continuing training and publicly assisted continuing training provided under the labour market policy

At present, there is a division of labour between publicly assisted adult training related to the labour market and in-company continuing training resulting in a target-group and participation structure that can be described as follows: while participants in continuing training governed by the employment promotion legislation and in general adult training are principally marginalized groups in the labour force and persons classified as forming problem groups in the labour market (the long-term unemployed, the handicapped, young people, older people, women, foreigners, functional illiterates and the poorly trained), continuing training provided by companies is concentrated on the better trained core groups in the labour market, in whom employers are interested because they are responsible for operations within the company and are members of the core workforce.

The comments on in-company continuing training have shown that the groups who are discriminated against in such training are very similar in structure to the redundant problem groups in the labour market. At times of crisis, companies tend to dismiss members of the marginal workforce since their departure is least likely to affect the company's operations and the resulting costs of fluctuation can consequently be kept to a minimum.

A company will endeavour to keep its core workforce, which includes the highly qualified workers. This process of segregation makes the qualification structure of the unemployed increasingly problematical. The likelihood of their ever becoming members of a core workforce declines. In-company training, but publicly financed continuing training too, in fact makes for the consolidation of this process by grading learners by receptiveness, work motivation and usefulness to the company by various didactic means and so contributes to the transparency and legitimacy of the selection decisions taken by the employment authorities and by companies in accordance with their recruitment policies. As the imbalance in the labour market continues, the dynamics of the interrelationship between companies' training and personnel strategies on the one hand and action taken under the government's labour market and continuing training policies on the other lead to and perpetuate a structuralization spiral which in the final analysis amounts to a process of splitting the adult population in two according to their fitness for working roles and would - ceteris paribus - strengthen the division of labour between in-company and public continuing training referred to at the beginning of this section.

In this context, reference must be made to the 'Federal Government's labour market policy programme for regions with special employment problems' of May 1979 (see SCHARPF et al., 1981), which must be regarded as a revealing attempt to tackle the deficiencies of public assistance granted to continuing training related to the labour market by placing greater emphasis on the in-company labour market and companies' training interests (for further details see SAUTER, 1982). The programme focused on the training of employees in companies undergoing processes of adjustment and change due in most cases to the introduction of new products and affecting in particular jobs done by workers with few formal qualifications. Under the programme, assistance was granted for retraining, further training and other training measures (familiarization). As regards its preventive effect, it must be emphasized that it departed from the otherwise normal participation structure of continuing training by concentrating on the unskilled and semi-skilled, i.e. the members of the marginal workforce who are exposed to an above-average risk of unemployment. A criticism which must, of course, be levelled at this programme is that the granting of assistance to companies for continuing training courses was not made conditional on the observance of curricular standards which would have ensured that training was provided not only to meet the company's requirements but also in basic skills for which there is demand in the labour market as a whole. The hurried implementation and the generally pronounced experimental nature of the programme appear not to have allowed such precautions to be taken. Nonetheless, it cannot be denied that it included potential elements of preventive continuing training, consisting, as SAUTER (1982, p. 2) says, in bringing employees without initial vocational training certificates closer to acquiring skills and certificates that can be used in the labour market by enabling them to participate in training designed to meet a given company's specific needs and in providing innovative impulses for linking company-related and occupational qualifications within the present system of continuing vocational training.

PART III

An attempt to compare the five continuing training systems and their preventive effects

The following attempt to compare the national continuing training systems described in the case reports and their preventive effects in changing labour market and social policy situations is based, as has been stressed on several occasions above, on very provisional material. In the case reports fragmentary and not always compatible information has had to be used to describe the situation in the various countries, and large gaps have had to be left in the mosaic. Consequently, the comparison of these five case reports must also be seen as extremely provisional, since it seeks to achieve the always unattainable goal of comparing the incomplete with the incomplete. Nevertheless, this comparison seems useful because, this being a preliminary study, such initial information, if incorporated in the overall perspective of a case report, and of a comparison in this instance, serves the purpose of providing guidelines that permit each case to be analysed with more accurate measuring instruments. The same approach will be adopted for the comparison in this last section, in the hope that the proposition expounded here can be made plausible for the time being at least, even though the material is incomplete.

The proposition is that in all five countries studied, albeit to varying degrees, the conventional instruments of labour market policy and continuing training systems and distribution models designed as recently as the 1960s have proved incapable of coping with the present economic recession and the mass unemployment it has caused. The function allotted to continuing vocational training in a growing economy of distributing skills and so permitting the flexible adjustment of the occupational structure to the structure of employment is progressively being abandoned. There are clear signs of this skill-distributing function being replaced with a form of continuing training used as an integrated process and supportive measure during the emergence of new types of occupations, new activities and new forms of cooperation: continuing vocational training today benefits job-seeking less than job-creating.

There appear to be growing similarities in the labour market situation in the five countries studied. Although the United Kingdom's labour market was hardest hit by mass unemployment in 1981, the situation in the other four countries has since gone into rapid decline and now closely resembles the critical state in which Britain finds itself. In all the labour markets unemployment has even affected the core workforce of companies and administrations, whose stable jobs and good qualifications had previously protected them against fluctuations in the demand for labour. Everywhere this has brought an end to the universal tendency that continued until the late 1970s for only the marginal groups in the labour market to be affected by unemployment. This is reflected, for example, in the general decline in the proportion of unemployed women in all the countries. Although the classical target group for continuing vocational training, qualified male employees, is now seriously affected by unemployment, this well-tried instrument is being used less and less in their case, unemployment in all five countries being highest among young people, i.e. those seeking their first jobs. Accordingly, where government education and social policies actively intervene, they concentrate primarily on the members of this group, whose background and limited capacity for collective resistance make them the most vulnerable of all groups in the labour market.

As budget deficits have grown, there has also been a significant reduction in social spending in all five countries, with expenditure on continuing vocational training apparently far easier to cut than spending on other urgent social problems. What labour market policy resources have been set aside for training purposes have been used to combat youth unemployment and for extreme cases in continuing vocational training. Otherwise the scarcer labour market policy resources are being taken away from measures to care for the unemployed population and actively invested in what generally amount to segregative programmes, designed to persuade foreign workers, women and older employees to leave the labour market. In these circumstances, there is little room for the reintegration strategies that form the basis of preventive continuing training.

As new economic policy strategies have been adopted, labour market policy has therefore been swung on to a new course: while an economic policy geared to demand, i.e. to the stimulation of investment and consumption, and the consequent goal of an increase in the supply of labour took priority in the early stages of the reconstruction of the Western European economic systems, this quantitative policy was superseded in the 1960s and the 1970s to an economic policy in which greater emphasis was placed on quality and quite specifically on improving the supply of labour and making it more flexible. This qualitative policy is now being replaced with a new quantitative policy, which in turn is trying to stimulate investment by improving company earnings as a means of increasing the supply of labour. Seen from this angle, the quality of the structure of the labour force is becoming increasingly uninteresting, especially as the average level of skills has risen, it is frequently said, owing to the general expansion of education, the longer average period spent at school and the improvement in vocational qualifications.

This is bound to result in an initial decline in the political status of continuing vocational training. The original idea of improving conditions for economic development by enabling workers to acquire additional skills at the public expense has been dropped. Continuing training is becoming an aid to the better integration of individual workers into cooperative situations. With this decline in the status of continuing vocational training the likelihood of this training system having a preventive effect has naturally waned. Only the continuing training system in the Republic of Ireland has a preventive effect in the real sense of the term. In a wider sense, the training systems in Denmark, the Netherlands and the Federal Republic are preventive in that they have provided the labour market with additional and therefore more varied skills by enabling workers to participate in continuing training in anticyclical numbers, i.e. numbers that are rising despite the recession. Taking a third and even wider sense of prevention, it can be seen that in all the countries the number of unemployed people among participants in continuing vocational training has steadily increased, so that it can at least be said that the unemployed have a chance, however slight, of looking for a job in another company, another occupation, etc. Although this does not increase the objective likelihood of a job being found, it does at least give the individual a chance in the competition with other job-seekers. In a yet wider sense, continuing training is used as a preventive tool in the case of the long-term unemployed, who are in danger, the longer they remain unemployed, of losing their ability and general willingness to work for a living. The Federal Republic of Germany and the United Kingdom at least offer forms of continuing training that are not entirely devoid of therapeutic intent.

Major differences in the various countries are the result of the backgrounds to their national continuing training systems. In general, it seems true to say that, where stable adult training institutions already exist, they are able to assume new functions for the labour market at this time of high unemployment and to have a preventive effect. This is the case, for example, in the Netherlands and Denmark, where continuing vocational training facilities were created at a very early stage (after 1945 in the Netherlands), primarily to enable employees to undergo further vocational training and retraining and so improve their prospects of occupational advancement. In both countries these institutions have been retained and are now able to assume some responsibility for absorbing unemployed persons or training them for specific jobs. A similar, though less favourable, situation exists in the Federal Republic of Germany, where the Employment Promotion Act at first provided a stable institutional framework which enabled continuing vocational training to react preventively to the problem of unemployment. However, the trend in the Federal Republic of Germany indicates that, having been constantly modified, this instrument has been deprived of its effectiveness by its continual adjustment to changes in circumstances and the curtailment of its quantitative structures. The situation in the United Kingdom and the Republic of Ireland is more difficult. In Britain the state did not assume responsibility for institutional vocational training structures until the 1960s, the employers previously having financed even initial vocational training despite its high social cost. The Industrial Training Boards and the Manpower Services Commission, both set up at this time, have been hit by the present crisis at a crucial stage of their development, and it is to be feared that the crisis and particularly the government's reactionary social policy will affect the basic structure of this institutional set-up. The present British government seems intent on abolishing the public initial and continuing vocational training systems as far as possible and transferring them back to the employers to control and finance. This would result in the dissolution of an institutional system that has only just emerged. The situation in the Republic of Ireland is rather different. Here again, continuing vocational training did not come into being until the 1960s, but in this case it was the outcome of a government-organized industrialization policy, which was seen principally as an industrial development policy. Continuing vocational training mainly served the purpose of supplying local and regional labour markets with appropriately trained workers. This system, which is still in its infancy but is being handled in a pragmatic and largely unbureaucratic manner, now faces new demands as a result of the unemployment of a large proportion of the labour force, but continues to exist and seems able to adjust to these new requirements.

Within the institutional framework, all the country studies indicate a significant change in the relationship between public and in-company continuing vocational training. The tendency seems to be for government labour market policies to make increasing use of in-company continuing training systems, the alleged advantage being that workers trained in this way, having previously been integrated into the company, are not exposed, like participants in state-run continuing training schemes, to the risk of failing to find appropriate employment on completing their courses. In Ireland continuing training has been a state responsibility from the outset, and as part of the pragmatic cooperation between the government and the employers the state continuing training authority has always been able to act as a service facility for companies. In the United Kingdom all continuing training was traditionally provided by the employers, with no government initiative to support it until the passing of the Industrial Training Act and the establishment of the institutions it required, although priority has been given to the organization of training at training centres and the like by the state authorities. The new government's policy is to do away with these state-run training schemes and to transfer almost all responsibility for continuing vocational training back to individual companies. In Denmark continuing training was initiated by the state and largely remains its responsibility. But here again, there has recently been an increasing tendency for companies to be made responsible for in-company integration measures, especially for unskilled and semi-skilled workers. Denmark also appears to have had some preventive success, particularly with the retraining of such workers. A similar tendency is to be found in the Federal Employment Institute's special programmes in the Federal Republic, where state authorities have been involved in such training schemes through contributions to employers' familiarization and training costs, although they have no say in the quality of such training. Virtually the same can be said of special programmes in the Netherlands.

As we have said, this transfer of responsibility for continuing vocational training back to the employers increases the likelihood of workers being reintegrated or the likelihood of their avoiding unemployment since the placement problem between continuing training and a new job does not on the whole arise. It must be realized, however, that such measures benefit only workers who are still or already employed in the companies concerned. Workers who are unemployed and thus do not have access to companies' labour markets do not as a rule qualify for such continuing training courses. This may result in the only continuing training available to the unemployed being relatively unattractive government-run schemes, which are hardly likely to result in re-employment and are therefore easily reduced to the lowly status of occupational therapy. This might give rise to a dual continuing training system, just as the labour market has split into stable and marginalized segments.

A second generalization to be added to this is that continuing training measures appear to have a markedly preventive effect where they are directly linked to job creation or preservation activities. This seems to be confirmed in particular by the extremely critical situation prevailing under the labour market policy in the United Kingdom, where the Community Education Programme, for example, provides for this link between job-creation and training. A similar tendency is apparent in the administrative commitment of the departments and programmes of the Manpower Services Commission to pursue an integrated approach to job-creation and training.

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